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Background Material and Data on

Major Federal Expenditure Programs Under the Jurisdiction of the Senate Committee on Finance

Includes appendix entitled "Incidence of the Federal
Tax Burden: Who Pays Taxes?"

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ROBERT J. DOLE, *Chairman*

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SECTION 1

OVERVIEW OF PROGRAMS UNDER FINANCE COMMITTEE JURISDICTION

Table 1. Major Spending Programs Under Jurisdiction of the Senate Finance Committee.
Table 2. CBO Baseline Estimates of Programs Under Jurisdiction of the Finance Committee.
Table 3. Selected Other Budget Accounts Under Jurisdiction of the Finance Committee.

TABLE 1.—MAJOR SPENDING PROGRAMS UNDER JURISDICTION OF THE SENATE FINANCE COMMITTEE

[Outlays in billions]

Program and classification	Fiscal year—		
	1976	1981	1982
Social security:			
OASI, entitlement	$63.1	$122.3	$138.2
DI, entitlement	9.6	17.3	18.8
Medicare:			
Part A, entitlement	13.7	29.2	34.3
Part B, entitlement	5.2	13.2	15.5
Unemployment compensation, entitlement	19.5	19.7	25.0
AFDC, appropriated entitlement	5.8	8.5	8.1
Medicaid, appropriated entitlement	8.6	17.3	18.1
Supplemental security income, appropriated entitlement	5.1	7.2	8.0
Earned-income tax credit, entitlement	.8	1.3	1.3
Title XX social services, appropriated entitlement[1]	2.4	2.6	2.9
Work incentive program, authorization program	.3	.4	.3
Revenue sharing, entitlement	6.2	5.1	4.6
Interest on the public debt, entitlement	37.1	95.5	118.8

[1] Includes child welfare, which is not an entitlement.

TABLE 2.—CBO BASELINE ESTIMATES OF PROGRAMS UNDER JURISDICTION OF THE FINANCE COMMITTEE

[Outlays in billions]

	Fiscal year—			
	1983	1984	1985	1986
Social Security:				
OASI	$153.5	$167.0	$182.2	$197.8
DI	20.0	20.9	21.5	22.2
Medicare:				
Part A	39.7	46.2	52.9	60.4
Part B	18.2	21.4	25.0	29.1
Unemployment compensation	23.0	21.9	22.3	22.9
AFDC	8.3	8.5	9.0	9.5
Medicaid	20.1	21.9	25.1	27.6
SSI	9.1	8.3	9.5	10.0
Earned-income tax credit	1.2	1.1	1.1	1.0

TABLE 2.—CBO BASELINE ESTIMATES OF PROGRAMS UNDER JURISDICTION OF THE FINANCE COMMITTEE—Continued

[Outlays in billions]

	Fiscal year—			
	1983	1984	1985	1986
Revenue sharing	4.6	4.6	4.6	4.6
Title XX social services	2.5	2.5	2.6	2.7
Interest on the Public Debt	145.5	172.7	186.0	196.5

TABLE 3.—SELECTED OTHER BUDGET ACCOUNTS UNDER JURISDICTION OF THE FINANCE COMMITTEE

[In millions]

	Fiscal year 1982 outlays
Pension Benefit Guaranty Corporation, revolving fund	−42
Unemployment trust fund (funding of employment service offices)	642
Maternal and child health services	348
Interest on IRS collections, entitlement	1,450
IRS collections for Puerto Rico, entitlement	245
Annuities to widows and children of tax court judges, entitlement	(*)
Customs service expenses and salaries	496.9
Energy tax credit	.4
Policy research (poverty, income maintenance, etc.)	18.3
U.S. International Trade Commission	18.5
IRS examinations and appeals	897.6
IRS taxpayer service and return processing	815.5
IRS investigations and collections	601.0
IRS salaries and expenses	149.5
Office of Revenue Sharing salaries and expenses	6.2

*Less than 0.5 million.

SECTION 2

MAJOR PROGRAMS UNDER THE JURISDICTION OF THE SENATE COMMITTEE ON FINANCE

1. Social Security Cash Benefit Programs—Old Age and Survivors Insurance, Disability Insurance.
2. Medicare.
3. Unemployment Trust Fund (Unemployment Compensation).
4. Trade Adjustment Assistance.
5. Revenue Sharing.
6. Earned Income Tax Credit.
7. Pension Benefit Guaranty Corporation.[1]
8. Medicaid.
9. Aid to Families With Dependent Children (AFDC).
10. Supplemental Security Income (SSI).
11. Social Services (Including Child Welfare and Training).
12. Low-Income Energy Assistance.
13. Black Lung Disability Trust Fund.
14. Work Incentive, Community Work Experience, and Work Supplementation Programs.
15. Maternal and Child Health Services (MCH) Block Grant.

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[1] Shared jurisdiction.

1. SOCIAL SECURITY CASH BENEFIT PROGRAMS

OLD-AGE AND SURVIVORS INSURANCE (OASI) AND DISABILITY INSURANCE (DI)

General

The old-age and survivors insurance (OASI) and the disability insurance (DI) programs provide monthly benefits to retired and disabled workers and their dependents and to survivors of deceased workers. Old-age benefits for retired workers age 65 or older were provided by the original Social Security Act of 1935, benefits for dependents and survivors by the 1939 amendments, benefits for disabled workers age 50 or older by the 1956 amendments, and benefits for the dependents of disabled workers by the 1958 amendments. Early retirement benefits (payable at age 62) were made available to women by the 1956 amendments and to men by the 1961 amendments. Disability benefits for disabled workers under age 50 were authorized by the 1960 amendments. Medicare for retired workers, age 65 and older, was authorized by the 1965 amendments and for disabled workers (who have been on the benefit rolls for 2 or more years) by the 1972 amendments.

A worker gains eligibility for benefits under the OASDI programs by working in employment covered under the law. Approximately 116 million people, or 9 out of 10 workers, are covered and paying social security taxes. The tax on workers' earnings (up to a maximum taxable amount of annual earnings of $32,400 in 1982) is withheld and matched by employers. Self-employed persons pay taxes on their earnings up to the same maximum as employees, but at a rate for OASDI that is 150 percent of the employee rate. (The rate for hospital insurance (HI) is the same for wage earners and the self-employed.)

All contributions under the OASDI tax are credited to the two trust funds that are the sources of payment for: (1) monthly benefits to retired or disabled workers and their dependents as well as to the survivors of deceased workers (including a financial interchange with the railroad retirement system); (2) administrative expenses for the programs; and (3) certain vocational rehabilitation services.

The OASI program provides monthly cash benefits for covered workers and their families when retirement or death occurs. About 31 million people receive benefits each month, 20 million of whom are retired workers. In 1981 (December), the average monthly benefit was $386 for a retired worker, $642 for a couple, and $859 for the family of a worker who died. The OASI program cost $122 billion in fiscal year 1981, and under current law, the Administration projects it will cost $138 billion in fiscal year 1982.

The DI program provides benefits to workers (and their families) who are unable to work due to a disabling condition. It has about 4.5 million beneficiaries, 2.8 million of whom are disabled workers. The average monthly benefit for disabled workers is $413 and for disabled workers with dependents it is $803. The DI program cost $17.3 billion in fiscal year 1981, and under current law, the Administration projects it will cost $18.4 billion in fiscal year 1982.

ELIGIBILITY

To be eligible for OASI benefits, a worker must be insured—that is, have credit for having worked in covered employment for a certain period of time. In 1982, a worker receives credit for 1 quarter for each $340 of annual earnings (up to a maximum of 4 quarters). To be "fully" insured, a worker must generally have one quarter of coverage for each year after 1950, or if later, after age 21. A person who has 40 quarters of coverage is fully insured for life. For certain survivorship benefits, the worker need only have been "currently" insured at the time of death, which requires having 6 quarters of coverage in the 13 quarters which concluded in death. Survivor benefits are payable on the death of the worker; retirement benefits are payable for the first full month in which the retiree is 62.

To be eligible for DI benefits, a worker must be both "fully" insured, as described under the OASI program, and "disability" insured. To be disability insured, the worker must have 20 quarters of coverage in the 40 quarters immediately preceding disability (there are exceptions for younger workers and the blind). Generally, disability is defined as the inability to engage in gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to last for a continuous period of not less than 12 months. Inability to engage in gainful activity means: (1) for a nonblind disabled worker, a blind worker under age 55, or disabled child, the inability to engage in any substantial gainful activity; (2) for a blind worker aged 55 or over, inability to engage in substantial gainful activity requiring skills comparable with those in any gainful activity in which he previously engaged; (3) for a disabled widow, widower, or surviving divorced wife, inability to engage in any gainful activity.

Except in cases involving second and subsequent disabilities the law requires that a person be disabled continuously for a 5 full month waiting period before he can receive disability benefits.

OASDI BENEFITS

Summary

Benefit levels for retired and disabled workers, dependents, and survivors are generally related to the past earnings of the covered-insured worker. Benefits for dependents and survivors are calculated as a percentage of the insured worker's basic benefit, known as the primary insurance amount (PIA), which is the amount payable to a worker retiring at age 65. For individuals eligible before 1982, the law provided a minimum PIA. In cases where more than one person is entitled on the basis of one worker's earnings, a maximum limit on total family benefits may apply.

Benefits payable to workers, spouses, and widowers who start to receive them before age 65 are subject to actuarial reductions. All benefits are reduced when a beneficiary's earnings exceed certain levels. This is called the earnings test or retirement test and applies to beneficiaries until they reach age 72 (in 1983 and later, the retirement test will not apply after age 70). The amount of annual earnings permitted in 1982 without causing a benefit reduction is $4,440 for persons under age 65; $6,000 for persons age 65–72. Each $2 of earnings in excess of these amounts reduces annual benefits by $1.

In December 1981 there were 36 million OASDI beneficiaries in current payment status. Benefits paid out in fiscal year 1981 amounted to $140 billion. The following table summarizes various types of beneficiaries and average benefit amounts:

TABLE 1A.—OASDI CASH BENEFITS IN CURRENT-PAYMENT STATUS, DECEMBER 1981

Type of beneficiary	Number (thousands)	Percent of beneficiary population	Average monthly benefit
Total monthly beneficiaries	36,006	100	$340
Retired workers	20,195	56	386
Wives and husbands of retired workers	3,031	8	195
Children of retired workers	633	2	161
Disabled workers	2,777	8	413
Wives and husbands of disabled workers	428	1	122
Children of disabled workers	1,252	3	123
Widowed mothers and fathers	548	2	277
Surviving children	2,546	7	271
Widows and widowers	4,386	12	349
Disabled widow(er)s	122	([1])	227
Parents	14	([1])	310
Special age-72	76	([1])	117

[1] Less than 1 percent.

TABLE 1B.—OASDI CASH BENEFITS IN CURRENT-PAYMENT STATUS, NOVEMBER 1981

Family group	Average monthly benefit
Retired couple	$642
Young survivor family	848
Disabled worker and family	803

Description of major benefit types

Retired-worker (old-age) benefit. Monthly benefit payable to a fully insured retired worker aged 62 or over.

Disabled-worker (disability insurance) benefit. A monthly benefit payable to a disabled worker under age 65 insured for disability.

Widow's benefit. Monthly benefit payable to a widow or surviving divorced wife of a worker fully insured at time of death, if she is: (1) aged 60 or older; (2) aged 50–59 and disabled; or (3) a widow of a transitionally insured worker if she was born before January 2, 1897.

Monthly benefit amount payable: 100 percent of insured worker's benefit amount (or PIA, if the insured worker was not in benefit status at the time of death). (Subject to reduction because of age.)

Widower's benefit. Monthly benefit payable to a widower of a worker fully insured at time of death if he did not remarry before age 60 (except to a woman entitled to widow's, mother's, parent's, wife's, or disabled adult child's benefit) and is: (1) aged 60 or older; or (2) aged 50–59 and disabled.

Monthly benefit amount payable: 100 percent of insured worker's benefit amount (or PIA, if the insured worker was not in benefit status at the time of death). (Subject to reduction because of age.)

Wife's benefit. Monthly benefit payable to a wife or divorced wife of a retired or disabled worker under one of the following conditions: (1) wife is aged 62 or older or has an entitled child or children of the worker in her care (after August 1983, at least one of whom is under age 16 or disabled). (2) divorced wife is aged 62 or older and her marriage to worker had lasted 10 years before divorce became final; or (3) wife was born before January 2, 1897, and husband is transitionally insured.

Monthly benefit amount payable: 50 percent of insured worker's PIA. (Subject to reduction because of age.)

Husband's benefit. A monthly benefit payable to a husband or divorced husband of a retired or disabled worker who is aged 62 or older or, if under age 62, has an entitled child of the worker in his care. For entitlement, divorced husband's marriage to worker must have lasted 10 years before divorce became final.

Monthly benefit amount payable: 50 percent of the insured worker's PIA. (Subject to reduction because of age.)

Child's benefit. A monthly benefit payable to an unmarried child (or orphaned grandchild) of a retired or disabled worker or of a deceased worker who died fully or currently insured if the child is under age 18, a full-time student aged 18–21 or reaching age 22 before completing the current semester or quarter, or a dependent disabled person aged 18 or over whose disability began before age 22. The benefit for 18–21 year old post-secondary students is being phased out over a 3-year period ending in 1985. Students entering post-secondary institutions after April 1982 generally will not be eligible for this benefit. High school students can receive it until age 19.

Monthly benefit amount payable: 50 percent of the insured worker's PIA (75 percent if survivor).

Disabled child's benefit. A monthly benefit payable to a disabled person aged 18 or over—a dependent son or daughter (or orphaned grandson or granddaughter) of a retired, deceased, or disabled worker, the child's disability must have begun before age 22.

Monthly benefit amount payable: 50 percent of the insured worker's PIA (75 percent if survivor).

Mother's or father's benefit. A monthly benefit payable to a widow (widower) or surviving divorced mother (father) if (1) the deceased worker on whose account the benefit is paid was fully or currently insured at time of death and (2) the widow (widower) or surviving divorced mother (father) has 1 or more entitled children of the worker in her (his) care (at least one of whom is under age 16 or disabled).

Monthly benefit amount payable: 75 percent of the insured worker's PIA.

Lump-sum death benefit. A $255 lump-sum benefit payable on the death of a fully or currently insured worker to (1) the surviving spouse if she (he) was living with the worker at the time of death or is eligible for a widow's (widower's) benefit, or (2) if no such spouse exists, to children eligible for monthly benefits at time of death.

Transitionally insured benefit. Monthly benefit payable to certain persons born before January 2, 1897, who have fewer than the normally required quarters of coverage.

"Special age-72" benefit. Monthly benefit payable to certain persons born before January 2, 1900, who do not have any or have an insufficient number of quarters of coverage to qualify for a retired-worker benefit under either the full or the transitional insured-status provisions. The benefit is payable only for months in which the individual is a resident of the 50 States or the District of Columbia and receives no public assistance cash payments including SSI payments. It is reduced by the amount of any government pension (except worker's compensation and veterans' service-connected compensation) that the individual is receiving or is eligible to receive. When husband and wife are both eligible for these benefits, the amount payable to the wife is equal to half the amount payable to the husband.

Benefit computations

The basic steps used in most cases to compute a worker's social security benefits are as follows:

- A specified number of years of earnings are selected (generally 5 less than the number of years between age 21 and the year of death, disability, or the attainment of age 62);
- The earnings of each year are converted into "more recent" values by increasing them to reflect changes in wage levels since the time they were actually earned;
- These "indexed" earnings are averaged to a monthly amount; and
- A percentage formula is applied to these average earnings to derive a "primary insurance amount" or basic benefit amount.

The index to be applied to earnings and the dollar amounts in the benefit formula are updated annually to reflect the increase in average wages in the economy.

For years after the initial benefit computation is made, the benefit is "indexed" to increases in the Consumer Price Index. The individual's benefit is so adjusted for general benefit increases occurring at the time of and following the first year of eligibility (age 62, disability, or death), even if the filing for benefits is delayed to a later time.

The worker's average indexed monthly earnings, or AIME, are used as the basis for determining the primary insurance amount for workers who attain age 62, become disabled, or die after 1978. Indexing creates an earnings record that reflects the value of the individual's earnings relative to national average earnings in the indexing year. The indexing year is the second year before the year in which the worker attains age 62, becomes disabled, or dies. Earnings after the indexing year are counted at their nominal value.

Earnings are indexed by increasing the actual earnings in each year after 1950 by the percentage increase in national average wages between that year and the indexing year. Once the earnings record has been indexed, the AIME is computed by (1) determining the number of computation years—the number of years after 1950 (or the year of attainment of age 21, if later) and up to the year the worker attains age 62, becomes disabled, or dies, minus dropout years, generally 5 (the minimum number of computation years is 2); (2) selecting the actual computation years, based on highest indexed earnings, from any years after 1950; and (3) dividing the sum of earnings in the computation years by the total number of months in the computation years.

For workers becoming entitled to disability benefits after June 1980 the number of dropout years will vary by age in the year of disability onset. The number of dropout years will be 0, 1, 2, 3, 4, and 5, respectively, for workers aged 26 and under, 27–31, 32–36, 37–41, 42–46, and 47 and over. Effective for months after June 1981, however, disabled workers under age 37 may obtain up to 3 additional dropout years (3, 2, and 1, respectively, for those aged 26 and under, 27–31, and 32–36) for years otherwise included as computation years in which the worker had no earnings and was living with a child (of the worker or his or her spouse) under age 3.

To illustrate, if a worker retired at age 62 in 1982 and had earned $2,900 in 1960, the $2,900 would be multiplied by the ratio of average annual wages in 1980 ($12,513) to average annual wages in 1960 ($4,007), as follows: $2,900 × $12,513 ÷ $4,007 = $9,056.

Thus, while the worker's actual earnings for 1960 were $2,900, his relative or indexed earnings would be $9,056. This procedure would be followed for adjusting the worker's earnings for each year since 1951 up to 1980 (the second year prior to attaining age 62). These "relative" earnings would then be averaged over the time the worker could reasonably be expected to have worked in covered employment. The final average would be computed on a monthly basis. The result, known as averaged indexed monthly earnings (AIME), is used in the benefit formula.

A further look at this example demonstrates how the social security benefit computation works. Assume that after this worker's entire wage record is indexed, his AIME is $420. For workers retiring in 1982 the benefit formula is:

90 percent of the first $230 of AIME, plus
32 percent of AIME over $230 through $1,388, plus
15 percent of AIME over $1,388.

An AIME of $420 would then produce an initial benefit, known as a primary insurance amount (PIA), of $267.80 (0.9 × 230 = $207, plus 0.32 × 190 = $60.80). Since the worker here would be retiring at age 62 instead of 65, the PIA would be actuarially reduced by 20 percent, generating an ultimate payable monthly benefit of $214.00 (0.8×$267.80).

Benefit maximums and minimums

Maximum family benefit. The maximum monthly amount that can be paid on a worker's earnings record varies with his PIA. For benefits payable on the earnings records of retired and deceased workers, and of disabled workers entitled before July 1980, the maximum varies between 150 and 188 percent of the PIA. For disabled workers entitled after June 1980, the maximum represents the smaller of (1) 85 percent of the worker's AIME (or 100 percent of his PIA, if larger), or (2) 150 percent of his PIA. Whenever the total of the monthly benefits payable to all the beneficiaries entitled on the basis of one's earnings record exceeds the maximum, each dependent's or survivor's benefit is proportionately reduced to bring the total within the maximum. In computing the total amount of benefits payable on a single earnings record, benefits payable to divorced spouses or to surviving divorced wives are not included. Such benefits neither affect, nor are they affected by, benefits payable to other dependents and survivors of the insured worker.

Minimum benefit. The lowest benefit (before actuarial reduction) payable under the regular insurance programs to a retired worker, a disabled worker, or a sole survivor of a deceased worker. It exceeds the amount, based on the worker's earnings, that would be calculated using the regular benefit formula. Beneficiaries who turned 62, became disabled, or became newly eligible for survivor benefits in 1978 or earlier receive the minimum benefit in effect in 1978 ($122), plus any subsequent cost-of-living adjustments since that time. For instance, a worker who retired in June 1981 at age 65 received a minimum benefit of $170.30 per month. For persons who became eligible after 1978 and before 1982, the minimum benefit was frozen at $122. A beneficiary entitled to the frozen minimum receives cost-of-living adjustments beginning with the year he reaches age 62 or otherwise becomes eligible.

Workers who reach age 62 or otherwise become eligible in 1982 or later receive whatever benefit is determined under the regular benefit formula, described earlier (or, if advantageous, under the special minimum rules described below). The frozen minimum benefit rules will continue to apply through December 1991 for members of religious orders under a vow of poverty.

Special Minimum Benefit. The special minimum differs from a regularly computed benefit and the regular minimum benefit in that it is not based on the level of an individual's average earnings. It is based solely on the amount of time an individual worked in covered employment. It originated with the Social Security Amendments of 1972 (effective in 1973), as a means of increasing the benefits of workers who had low average earnings, but who had many years of covered employment. It provides that an individual with more than 10 years of covered employment can receive a benefit that rises with the number of such years he has in excess of 10, as an alternative to the regular benefit computation procedures. The number of countable years cannot exceed 20, and a year cannot be countable unless the individual's earnings exceed a specified amount which is indexed each year. For 1982, a year is countable only if earnings exceed $6,075. An individual with 30 or more years of covered employment would have a maximum of 20 countable years.

As of June 1981, the special minimum ranged from $16.30 for a person with 1 countable year ($24.50 for a couple) to $321.40 for a person with 20 countable years ($482.10 for a couple).

Automatic benefit increases

If the cost of living, as measured by the Bureau of Labor Statistics' Consumer Price Index For Wage Earners and Clerical Workers (CPI-W), rises by 3 percent or more over a 1-year period (or since the last cost of living increase) a benefit increase for social security recipients is triggered. The change in the CPI is measured from the first calendar quarter of one year over the first calendar quarter of the preceding year. If there is an increase of 3 percent or more, a benefit increase of equivalent amount is due for the month of June following the end of the measuring period. This means that the benefit increase first appears in the July benefit checks, 3 months after the close of the measuring period.

The benefit increase, rounded to the nearest 0.1 percent, applies to all types of beneficiaries. The Administration estimates that the cost of living benefit increase in 1982 will be 7.6 percent.

Actuarial reduction

Reduction in the monthly benefit amount payable (a) at ages 62–64 if the beneficiary is a retired worker, a wife of a retired or disabled worker (with her entitlement not dependent on having a child beneficiary in her care), a husband or a divorced spouse; (b) at ages 60–64 if the beneficiary is a widow, widower, or a surviving divorced wife; or (c) at ages 50–59 if the beneficiary is entitled by reason of disability to benefits as a widow, widower, or surviving divorced wife.

At the time of award, the following reduction in benefit amounts are made:

A retired-worker beneficiary—5/9 of 1 percent for each month before age 65 (maximum reduction of 20 percent at age 62);

A wife or husband beneficiary—25/36 or 1 percent for each month before age 65 (maximum reduction of 25 percent at age 62);

A nondisabled widow or widower or surviving divorced wife—19/40 of 1 percent for each month before age 65 (maximum reduction of 28.5 percent at age 60); and

A disabled widow or widower or surviving divorced wife—28.5 percent plus an additional 43/240 of 1 percent for each month before age 60 (maximum reduction of 50 percent at age 50).

The benefit continues to be paid at a reduced rate, even beyond the age at which they would have been payable in full. The reduced rate is refigured at age 65 for all beneficiaries (and also at age 62 for a widow, widower, and a surviving divorced wife) to omit months for which the reduced benefit was not paid; for example, because of the retirement test. Benefits are also recomputed whenever additional earnings would result in a higher benefit amount. The increased benefit rate is subject to the same percentage actuarial reduction as the initial benefit.

Delayed retirement credit. A benefit credit or increase given to a worker for delaying retirement after attaining age 65 for each month the worker (1) was fully insured, (2) had attained age 65 but was not yet age 72, and (3) did not receive benefits because he had not filed an application or was working. Each credit serves as a basis for increasing the monthly benefit (except in the case of the special minimum PIA) by 1/12 of 1 percent for workers who attained age 62 before 1979 (1 percent per year) and by ¼ of 1 percent for workers attaining age 62 after 1978 (3 percent per year). A surviving spouse (including divorced) receiving widow(er)'s benefits is entitled to the same increase that had been applied to the benefit of the deceased worker or for which the worker was eligible at the time of death.

Selected Data on Beneficiary Population

The following tables provide detailed information on the number of OASDI beneficiaries, the average amount of monthly benefits by type of beneficiary, and the beneficiary population by age group, type of benefit, State, and other characteristics.

TABLE 2.—TOTAL OASDI BENEFICIARIES

Calendar year [1]	Beneficiaries (in thousands) [2]		
	OASI	DI	Total
1945	1,106		1,106
1950	2,930		2,930
1955	7,563		7,563
1960	13,740	522	14,262
1965	18,509	1,648	20,157
1970	23,185	2,568	25,753
1975	27,244	4,125	31,369
1980	30,384	4,734	35,118
1981	31,550	4,456	36,006

[1] As of June of each year, except 1981, which is based on December 1981 data.
[2] Beneficiaries in current pay status.

Source: SSA.

TABLE 3.—RETIRED WORKERS AND DEPENDENTS: NUMBER OF AND AVERAGE MONTHLY BENEFITS

	Retired workers	Spouses	Children
1970:			
Number of current beneficiaries (in thousands) [1]	13,349	2,668	546
Average payment	$118	$61	$45

TABLE 3.—RETIRED WORKERS AND DEPENDENTS: NUMBER OF AND AVERAGE MONTHLY BENEFITS—Continued

	Retired workers	Spouses	Children
Number of new awards (in thousands)	1,338	339	183
Average payment	$124	$58	$45
1975:			
Number of current beneficiaries (in thousands) [1]	16,588	2,671	643
Average payment	$207	$105	$77
Number of new awards (in thousands)	1,506	351	226
Average payment	$206	$96	$82
1981:			
Number of current beneficiaries (in thousands) [1]	20,195	3,031	633
Average payment	$386	$195	$161
Number of new awards (in thousands) [2]	1,590	343	280
Average payment	$374	$175	$178

[1] As of December 1981.

[2] Fiscal year 1981.

Source: SSA, February 1982.

TABLE 4.—SURVIVORS: NUMBER OF AND AVERAGE MONTHLY BENEFITS [1]

	Children	Mothers and fathers	Widows/ widowers
1970:			
Number of current beneficiaries (in thousands) [2]	2,688	523	3,227
Average payment	$82	$87	$102
Number of new awards (in thousands)	592	112	363
Average payment	$78	$87	$106
1975:			
Number of current beneficiaries (in thousands) [2]	2,919	582	3,889
Average payment	$139	$147	$192
Number of new awards (in thousands)	591	116	354
Average payment	$137	$150	$193
1981:			
Number of current beneficiaries (in thousands) [2]	2,546	548	4,386
Average payment	$271	$277	$349
Number of new awards (in thousands) [3]	488	104	464
Average payment	$244	$245	$319

[1] Minor categories (Disabled widows/widowers and parents) are excluded from table.

[2] As of December 1981.

[3] Fiscal year 1981.

Source: SSA, February 1982.

TABLE 5.—DISABLED WORKERS AND DEPENDENTS: NUMBER OF AND AVERAGE MONTHLY BENEFITS

	Disabled workers	Spouses	Children
1970:			
Number of current beneficiaries (in thousands) [1]	1,493	283	889
Average payment	$131	$43	$39
Number of new awards (in thousands)	350	96	317
Average payment	$140	$40	$37
1975:			
Number of current beneficiaries (in thousands) [1]	2,489	453	1,411
Average payment	$226	$67	$62
Number of new awards (in thousands)	592	149	515
Average payment	$234	$68	$63
1981:			
Number of current beneficiaries (in thousands) [1]	2,777	428	1,252
Average payment	$413	$122	$123
Number of new awards (in thousands) [2]	358	101	364
Average payment	$402	$107	$112

[1] As of December 1981.
[2] Fiscal year 1981.

Source: SSA, February 1982.

TABLE 6.—OASDI BENEFICIARIES, SELECTED AGE DATA, JUNE 1981

Type of OASDI beneficiary	Beneficiaries
Total	35,709,830
Retirement [1]	23,441,142
Workers 65 and over	17,693,096
Men	9,519,131
Women	8,173,965
Wives and husbands 65 and over	2,390,903
Disabled adult children	141,975
Workers 62–64	2,098,834
Men	1,052,690
Women	1,046,144
Wives and husbands 62–64	429,674
Children under 18 and students 18–21	497,451
Wives with children	189,209
Disability	4,635,831
Workers under 65	2,835,471
Men	1,911,506
Women	923,965
Wives and husbands 65 and over	36,781
Disabled adult children	33,000
Wives and husbands 62–64	39,610
Children under 18 and students 18–21	1,317,022
Wives with children	373,947

TABLE 6.—OASDI BENEFICIARIES, SELECTED AGE DATA, JUNE 1981—Continued

Type of OASDI beneficiary	Beneficiaries
Survivors	7,632,857
Widows and widowers 65 and over	3,751,928
Disabled widows and widowers 50–59	124,240
Disabled adult children	281,156
Parents 65 and over	13,893
Parents 62–64	248
Nondisabled widows and widowers 60–64	569,430
Children under 18 and students 18–21	2,343,242
Widowed mothers and fathers	548,720

[1] Excludes 87,265 special age-72 beneficiaries.

Source: SSA.

TABLE 7.—OASDI BENEFICIARIES, STATE-BY-STATE DATA

[Dollars in millions]

State [1]	Beneficiaries—as of June 1980	Fiscal year 1981 benefits payments
Total	35,219,930	$136,266
Alabama	636,923	2,163
Alaska	20,880	78
Arizona	414,688	1,645
Arkansas	438,479	1,449
California	3,179,084	12,697
Colorado	327,514	1,257
Connecticut	472,490	2,059
Delaware	86,115	355
District of Columbia	87,690	303
Florida	2,038,867	8,096
Georgia	764,043	2,619
Hawaii	111,003	414
Idaho	130,046	497
Illinois	1,620,344	6,740
Indiana	811,096	3,336
Iowa	489,191	1,922
Kansas	372,822	1,465
Kentucky	594,936	2,035
Louisiana	578,705	1,959
Maine	196,631	723
Maryland	525,682	2,093
Massachusetts	918,712	3,736
Michigan	1,349,424	5,656
Minnesota	612,321	2,342
Mississippi	426,810	1,307

TABLE 7.—OASDI BENEFICIARIES, STATE-BY-STATE DATA—Continued

[Dollars in millions]

State [1]	Beneficiaries—as of June 1980	Fiscal year 1981 benefits payments
Missouri	854,098	3,246
Montana	118,007	451
Nebraska	253,237	970
Nevada	92,333	370
New Hampshire	138,535	560
New Jersey	1,151,500	4,946
New Mexico	172,564	596
New York	2,862,307	12,087
North Carolina	887,467	3,092
North Dakota	104,346	375
Ohio	1,611,006	6,522
Oklahoma	476,212	1,731
Oregon	406,639	1,655
Pennsylvania	2,052,847	8,505
Rhode Island	168,213	679
South Carolina	443,333	1,527
South Dakota	118,438	423
Tennessee	730,591	2,520
Texas	1,799,293	6,449
Utah	145,738	577
Vermont	80,073	308
Virginia	712,313	2,577
Washington	574,855	2,358
West Virginia	358,438	1,325
Wisconsin	761,058	3,080
Wyoming	48,981	191
Other areas:		
American Samoa	2,394	3
Guam	3,013	8
Puerto Rico	568,427	1,215
Virgin Islands	7,578	24
Abroad	311,600	950

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[1] Beneficiary by State of residence.

Source: SSA

ADMINISTRATION OF THE PROGRAMS

The Social Security Administration (SSA), of the Department of Health and Human Services, administers the old-age, survivors and disability insurance programs. In fiscal year 1981, SSA had a permanent staff of 75,186. Administrative expenses, averaging about 1.3 percent of benefits, are paid out of the two trust funds. The national headquarters offices are located principally in Baltimore, Md. There are 10 regional offices located in major cities throughout the country which direct and coordinate most SSA activities in their respective regions. There are over 1,300 District and Branch offices and 4,000 contact stations through which SSA deals directly with the public. Claims not processed in the field offices are adjudicated in 6 geographically dispersed program service centers.

For the DI program, State agencies gather medical and vocational evidence and make the original determination of disability, after the social security field office has taken the claim and assembled information on the claimant's condition, treatment sources, and ability to work. The SSA field office generally completes all of the nondisability portions of the claim (for example, whether the person has sufficient quarters of coverage).

RECENT LEGISLATION

Significant changes in OASDI were made in 1981 by Public Law 97-35 and Public Law 97-123. The major changes were:

Prospective Elimination of the Minimum Benefit.—Under the old law, beneficiaries whose average lifetime earnings under the social security were low received a "minimum benefit" which was higher than the benefit they would have otherwise received under the regular benefit computation formula. The new provision eliminates the minimum benefit for beneficiaries who initially become eligible for benefits after December 1981. Instead, their benefits will be computed using the regular benefit formula.

Elimination of the Student Benefit.—Since 1965, unmarried child beneficiaries received benefits from age 18 through 21 if they were attending a high school, college, or vocational school full time. The new law eliminates benefits to new post-secondary students age 18-21 who are full-time students at institutions of higher education or other post-secondary schools, and allows benefits to elementary or secondary students only up to age 19, effective with benefits payable for August 1982. Certain students who begin post-secondary school before May 1982 may continue to receive benefits up until age 22; however, these benefits will be reduced 25 percent each year, and no cost-of-living adjustments or summer-month benefits will be paid beginning in 1982. No post-secondary student benefits will be payable after April 1, 1985.

Extension of Disability Benefit Offset.—Under old law, a disabled worker could not receive more than 80 percent of his pre-disability earnings in combined DI and worker's compensation (WC) payments. The new provision extends this concept to payments other than WC. The worker's DI benefits are reduced (if necessary) so that the sum of disability benefits payable under Federal, State, and local public programs (with certain exceptions, such as Veterans Administration benefits) plus DI will not exceed the higher of

80 percent of the worker's "average current earnings or the DI benefits alone." In contrast to the old law which ended the offset at 62, the new provision extends the disability offset to disabled workers up to age 65.

Termination of Mother's and Father's Benefits When Youngest Child Attains Age 16.—Under this provision, benefits will no longer be paid to a mother or father caring for a child receiving child's benefits beyond the time the child reaches age 16 (rather than age 18, as under prior law). A two-year phase-out was included for current recipients. New recipients were affected upon enactment.

Payment of Benefits in Month of Entitlement.—Workers and their spouses (including divorced spouses) can no longer receive old-age benefits for a month unless they meet the requirements for entitlement throughout that month. The major effect is, for persons who claim benefits in the month in which they reach age 62, to postpone entitlement to old-age benefits to the next month.

Modification Lump Sum Death Benefit.—Under the old law, a one-time payment of $255 was made to the surviving spouse of a deceased worker or to some other person or institution (e.g., funeral home) incurring expenses in connection with the deceased worker's funeral. The lump sum death benefit could be paid whether or not regular monthly cash benefits were payable to survivors of the deceased worker. Under the new law, effective for insured workers who die after August 1981, the lump-sum death payment may be paid only to the spouse living with the worker at the time of death or to a spouse (excluding a divorced spouse) who is eligible for widow's or widower's benefits for the month in which the worker died. If there is no spouse eligible for the payment, it will be made to children who are eligible for monthly benefits in the month of death. Otherwise, no lump-sum will be payable.

Rounding of Benefits.—Under the old law, when benefit amounts were calculated, they were rounded to the next *higher* 10 cents. This upward rounding could occur at several stages in the computation process, so that a benefit could have been rounded upward several times before the final amount was determined. Under the new procedure, OASDI benefit amounts are rounded to the next lower 10 cents at every step of the benefit calculation and then to the next lower dollar at the final step.

Retention of Social Security Earnings Test Exempt Age at 72 through 1982.—This provision retains, through 1982, age 72 as the age at which the earnings test no longer applies; beginning in 1983, the age will be lowered to 70. (Under prior law, the age at which the earnings test no longer applies would have been lowered from 72 to 70 beginning in 1982.)

Reimbursement of States for Successful Rehabilitation Services.—Prior law authorized the use of social security trust fund monies to purchase rehabilitation services for disabled beneficiaries. The new provision provides that the cost of vocational rehabilitation (VR) services provided by the States to social security disability beneficiaries are to be reimbursed from the trust funds only if the disabled beneficiaries engage in Substantial Gainful Activity (SGA) for 9 continuous months and if the VR services contributed to the successful return to SGA.

Interfund Borrowing.—Because of the precarious financial condition of the OASI fund, Congress authorized the OASI, DI and Hospital Insurance (HI) trust funds to borrow from one another until December 31, 1982, as necessary to meet benefit payments.

Tax on Sick Pay.—Under the old law, sick pay made during the first 6 months of sickness was generally excluded from FICA taxation, if made under a qualified sick-pay plan (payments after 6 months were and continue to be excluded). The new provision provides that all sick payments (except those made under a worker's compensation plan) are subject to the social security payroll tax in the first 6 months the employee is off work. Any portion of such sickness benefits paid for by employee contributions would not be covered.

OASDI FINANCING

The OASDI programs are self-financed on a pay-as-you-go basis; that is, current income to the system goes to meet current benefit obligations. No provision is made for accumulating the funds' assets at a given level equal to anticipated payments. Instead, the tax rates are established according to actuarial projections with a view to assuring that revenues will be sufficient to meet benefit obligations. Moneys accumulated in the trust fund provide a reserve to cushion temporary shortfalls in revenues or unexpected increases in outlays due to economic fluctuations.

Current Financing Provisions

Social security is financed by a payroll tax on earnings, with portions of its revenues earmarked for each of the trust funds. All persons who work in employment covered by the programs pay a tax on their earnings up to a maximum annual dollar amount. Employers pay an equal tax for these workers. Under current law, as of 1982, the tax is levied at a rate of 6.70 percent of the first $32,400 of earnings for both the employer and employee. This maximum amount is called the "taxable earnings base" and rises each year at the same rate that average earnings in the economy rise.

Tables 8–10 which follow show the tax rates and taxable earnings bases which will go into effect under present law. As illustrated in table 9B, the maximum annual tax payment for the worker, just $374 in 1970, is $2,171 in 1982, projected to reach $4,705 in 1990, an amount matched by the employer. For the self-employed, the maximum tax payment is projected to reach $6,611 by 1990.

Evidently, significant increases in the taxes were established in the 1977 amendments. At the time those amendments were adopted, the funds were projected to be adequate to meet benefit obligations for many years. However, the 1977 changes did not provide adequate margin for error and the economic situation has turned out to be far less favorable than assumed at that time.

TABLE 8.—TAX RATES FOR THE SOCIAL SECURITY TRUST FUNDS, 1977 AND AFTER

[In percent]

Calendar years	OASI [1]	DI [2]	OASDI	HI [3]	Total (OASDHI)
EMPLOYERS AND EMPLOYEES, EACH					
1977	4.375	0.575	4.95	0.90	5.85
1978	4.275	.775	5.05	1.00	6.05
1979	4.330	.750	5.08	1.05	6.13
1980	4.520	.560	5.08	1.05	6.13
1981	4.700	.650	5.35	1.30	6.65
1982–84	4.575	.825	5.40	1.30	6.70
1985	4.750	.950	5.70	1.35	7.05
1986–89	4.750	.950	5.70	1.45	7.15
1990 and later	5.100	1.100	6.20	1.45	7.65
SELF-EMPLOYED PERSONS					
1977	6.1850	0.8150	7.00	0.90	7.90
1978	6.0100	1.0900	7.10	1.00	8.10
1979	6.0100	1.0400	7.05	1.05	8.10
1980	6.2725	.7775	7.05	1.05	8.10
1981	7.0250	.9750	8.00	1.30	9.30
1982–84	6.8125	1.2375	8.05	1.30	9.35
1985	7.1250	1.4250	8.55	1.35	9.90
1986–89	7.1250	1.4250	8.55	1.45	10.00
1990 and later	7.6500	1.6500	9.30	1.45	10.75

[1] Old-age and survivors insurance.
[2] Disability insurance.
[3] Hospital insurance (part A of medicare).

TABLE 9A.—ANNUAL EARNINGS SUBJECT TO THE SOCIAL SECURITY TAX (TAXABLE EARNINGS BASE)

Calendar year	Administration	CBO
1980	$25,900	$25,900
1981	29,700	29,700
1982	32,400	32,400
1983 [1]	35,100	35,100
1984 [1]	38,100	37,800
1985 [1]	40,500	40,500
1986 [1]	42,600	43,500
1987 [1]	45,600	46,500

[1] Estimates.

Source: SSA and CBO.

TABLE 9B.—MAXIMUM ANNUAL OASDHI TAX PAYMENTS: 1970–90

	Maximum annual tax payment	
	Employee (matched by employer)	Self-employed
1970	$374	$538
1975	825	1,114
1980	1,588	2,098
1981	1,975	2,762
1982	2,171	3,030
1983 [1]	2,392	3,338
1984	2,613	3,647
1985	3.024	4,247
1986	3,346	4,680
1987	3,625	5,070
1988	3,882	5,430
1989	4,140	5,790
1990	4,705	6,611

[1] Beginning in 1983, based on 1981 Board of Trustees' Intermediate II–B Assumptions, adjusting for actual level in 1982.

TABLE 10.—ADDITIONAL TAX INCOME TO SOCIAL SECURITY TRUST FUNDS RESULTING FROM 1977 AMENDMENTS (CALENDAR YEARS 1983–87)

[In billions]

Calendar years	Additional tax income		
	OASDI	HI	Total
1983	26.3	1.5	27.8
1984	29.1	1.7	30.8
1985	43.0	3.6	46.6
1986	47.4	2.4	49.7
1987	51.0	2.4	53.4

Note: Based on the 1981 Trustees' Report Intermediate (II–B) economic assumptions.

Source: Office of Actuary, SSA.

Public Law 97-123 authorizes interfund borrowing on a temporary basis. After consulting with the other trustees, the Secretary of the Treasury is authorized until December 31, 1982 to transfer funds among the OASI, DI, and HI trust funds. Such transfers are to be made on a loan basis, repayable with interest. The conference report states that loans may not be made to a trust fund to insure the payment of benefits for a period in excess of 6 months, or beyond June 1983.

Status of the trust funds—short range situation

Despite this and other changes enacted in 1981, the social security system faces significant financial problems. Weak economic growth has constrained payroll tax collections while inflation has resulted in relatively large increases in indexed benefits. Trust fund assets relative to cash benefit program outlays have been seriously eroded because aggregate outgo has exceeded income in the last 6 years.

Under the President's fiscal year 1983 budget assumptions, the present law reserves of the OASI trust fund, including the supplements permitted under the interfund borrowing authority, are insufficient to finance full OASI benefit payments beyond June 1983. If Congress reauthorizes interfund borrowing, reserves of OASI and the other trust funds, together, are projected to fall below the potential danger level of 13 percent of 1 year's outgo sometime late in fiscal year 1984 and remain there throughout the 5-year budgeting period. (See Table 11.) Social Security actuaries consider 13 percent the critical point because even a small error in the estimates or unforeseen fluctuations in the flow of income and outgo may cause reserves to fall below a month's benefits at some point during the year. The actuaries point out that a *minimum* 4 to 5 percentage-point spread between the potential danger level (13 percent) and the actual level of insolvency (9 percent) is needed to avoid cash-flow problems.

According to the Office of the Actuary of the Social Security Administration: "There is virtually no margin of safety in these projections. In other words, if actual future economic and demographic conditions are even slightly less favorable than those assumed in the budget, scheduled OASDI and HI tax income would be insufficient and tax rate reallocation or extended interfund borrowing could only postpone temporarily the financing problems of the trust funds."

The Congressional Budget Office (CBO) fiscal year 1983 "baseline" budget projections are even more pessimistic. They show the combined reserves of the three trust funds falling below the level required for solvency in fiscal year 1984 and remaining below that level throughout the remainder of the 5-year budgeting period. Under these assumptions, insolvency could even result before the end of 1983.

The following table compares the combined OASDHI reserve ratios for fiscal and calendar years 1983–87 projected by the Administration and CBO.

TABLE 11.—ASSETS OF THE COMBINED OASDHI PROGRAMS AT THE BEGINNING OF THE YEAR AS A PERCENT OF OUTGO DURING THE YEAR [1]

[In percent]

	Fiscal year—				
	1983	1984	1985	1986	1987
Administration	21	17	12	11	12
CBO base-line	19	13	8	5	5
CBO pessimistic	19	13	5	−.2	−5

	Calendar year [2]				
	1983	1984	1985	1986	1987
Administration	18	14	8	8	9

[1] Assumes interfund borrowing is reauthorized.

[2] CBO projections not available on calendar year basis. They would be approximately 4 percentage points lower than the fiscal year projections.

Source: SSA and CBO.

Shown below are the projections of the operations of the individual and combined trust funds under the Administration's budget assumptions and CBO's "base-line" assumptions.

TABLE 12.—ESTIMATED OPERATIONS OF THE OASI, DI AND HI TRUST FUNDS BASED UPON THE PRESIDENT'S FISCAL YEAR 1983 BUDGET ASSUMPTIONS

[Dollars in billions]

	Fiscal year—					
	1982	1983	1984	1985	1986	1987
Old age and survivors insurance:						
Outgo	138.2	152.7	166.6	179.8	193.1	207.5
Income	130.1	144.1	147.7	163.7	179.7	194.3
Year-end balance	15.8	7.2	−11.8	−27.9	−41.3	−54.5
Start-of-year balance (as percent of outgo)	17	10	4	−7	−14	−20
Disability insurance:						
Outgo	18.4	18.9	19.6	20.4	21.4	22.6
Income	22.0	19.4	28.8	35.5	41.5	46.3
Year-end balance	6.9	7.4	16.6	31.8	51.9	75.6
Start-of-year balance (as percent of outgo)	18	37	38	81	148	230
Hospital insurance:						
Outgo	34.3	39.5	45.0	51.7	59.1	67.4
Income	38.7	42.2	45.7	50.9	58.6	64.4
Year-end balance	22.5	25.2	26.0	25.2	24.7	21.7
Start-of-year balance (as percent of outgo)	53	57	56	50	43	37
Combined OASDHI:						
Outgo	190.9	211.1	231.2	251.9	273.6	297.5
Income	190.8	205.7	222.2	250.1	279.8	305.0
Year-end balance	45.2	39.8	30.8	29.0	35.2	42.7
Start-of-year balance (as percent of outgo)	24	21	17	12	11	12

Notes: The income figures for 1983, and the end-of-year asset figures for 1983 and later, reflect the transfer of $6.4 billion from the DI trust fund to the OASI trust fund under the interfund borrowing authority provided by Public Law 97–123.

The estimated operations for OASI, OASDI, and total OASDI and HI in 1983 and later are theoretical since, following the expiration of the present law interfund borrowing authority, the OASI trust fund would become depleted in the second half of 1983 when assets become insufficient to pay benefits when due.

Source: Social Security Administration, Office of the Actuary.

TABLE 13.—CBO BASELINE PROJECTIONS OF SOCIAL SECURITY TRUST FUND OUTLAYS, INCOMES, AND BALANCES, BY FISCAL YEAR, ASSUMING $6.4 BILLION TRANSFER FROM DI TO OASI IN FISCAL YEAR 1983 [1]

[In billions of dollars]

	1981	1982	1983	1984	1985	1986	1987
Old age and survivors insurance:							
Outlays	122.3	139.3	153.7	167.4	182.7	198.4	214.4
Income [2]	121.6	128.7	143.1	149.4	167.7	184.6	200.5
Year-end balance	23.8	13.3	2.7	−15.3	−30.3	−44.1	−58.0
Start-of-year balance (as percent of outlays)	20.1	17.1	8.6	1.6	−8.4	−15.3	−20.6
Disability insurance:							
Outlays	17.3	18.8	20.0	20.9	21.6	22.3	23.6
Income [2]	13.0	21.8	19.0	28.4	35.0	40.6	45.6
Year-end balance	3.4	6.5	5.5	12.9	26.3	44.6	66.6
Start-of-year balance (as percent of outlays)	44.4	18.1	32.3	26.2	59.7	117.9	189.0
Hospital insurance:							
Outlays	29.3	34.3	40.0	46.3	53.1	60.6	69.1
Income [2]	32.9	38.0	41.3	45.1	50.1	57.4	62.8
Year-end balance	18.1	21.8	23.2	22.0	19.0	15.8	9.5
Start-of-year balance (as percent of outlays)	49.5	52.8	54.6	50.1	41.4	31.3	22.8
Combined OASI, DI, and HI:							
Outlays	168.8	192.3	213.6	234.6	257.4	281.3	307.2
Income [2]	167.4	188.5	203.5	222.8	252.8	282.6	308.9
Year-end balance	45.3	41.5	31.4	19.6	15.0	16.3	18.0
Start-of-year balance (as percent of outlays)	27.7	23.6	19.4	13.4	7.6	5.3	5.3

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[1] The projections assume a $6.4 billion transfer from DI in fiscal year 1983 to OASI. The individual trust fund balances at the end of fiscal years 1983 to 1987 are similarly adjusted. The combined OASI and DI funds' balances remain the same under this calculation, implicitly assuming interest payments from one fund to the other. No interest adjustment was made in each of the two accounts individually, however, since the mechanism and scorekeeping of these is not yet entirely certain. These estimates are not strictly comparable with those of the Administration because no interest outlay is shown from the OASI to the DI fund (which would receive it as income), nor is added interest income shown to the OASI fund.

[2] Income to the trust fund is treated as budget authority under the budget process. It includes payroll tax receipts, interest on balances, and certain general fund transfers.

Source: CBO. Based on CBO's economic assumptions.

Note: Minus sign denotes a deficit.

TABLE 14.—ADMINISTRATION AND CBO ECONOMIC ASSUMPTIONS (RELATED TO OASDI PROGRAM)

[In percent]

Calendar year	Increase in CPI		Social security benefit increase		Unemployment rate	
	Administration	CBO	Administration	CBO	Administration	CBO
1982	7.3	7.5	8.1	8.5	8.9	8.9
1983	6.0	6.9	6.5	6.5	7.9	8.0
1984	4.6	6.9	4.8	7.2	7.1	7.4
1985	4.8	6.4	4.8	6.5	6.4	7.2
1986	4.6	6.0	4.6	6.1	5.8	6.9
1987	4.5	5.7	4.5	5.8	5.3	6.7

Source: SSA and CBO.

THE LONG-RANGE SITUATION

Because the social security program has been designed as a system in which those who pay the taxes supporting it are considered to be earning the right to future benefits, Congress has traditionally required long-range estimates of the program's actuarial balance and has set future tax rates with a view to assuring that the income of the program will be sufficient to cover its outgo. These estimates are re-evaluated every year and are published as part of an annual report made by the Trustees of the social security programs. This report is due April 1. Under current procedures, the long-range actuarial analysis of the cash benefits program covers a 75-year period—generally long enough to cover the anticipated retirement years of those currently in the work force. Since the enactment in 1965 of the Hospital Insurance program, long-range actuarial analyses of that program have also been made, but official HI estimates are made only over a 25-year period.

The long-range status of the trust fund is estimated on the basis of a variety of economic and demographic factors. Many of these are highly subject to fluctuation and very difficult to predict with a high degree of accuracy. Included are such factors as birth and immigration rates, level of economic activity, inflation, and mortality. Three paths have usually been projected in making long-range estimates: a pessimistic path, an optimistic path, and an intermediate path. (The 1982 Trustees' report also included a fourth path (II-A) which reflects more optimistic economic assumptions combined with intermediate demographic assumptions).

It is unlikely, of course, that the actuaries will actually succeed in projecting an intermediate path which exactly predicts the net outcome of all the various elements over a 75-year period. However, the projections do represent a "best estimate" as of any point in time. As such, the long-range projections provide a valuable guide to trends which indicate an imbalance in the system, allowing Congress to make necessary corrections gradually and thus avoid sudden shocks that the system would have difficulty absorbing, and that taxpayers and beneficiaries would have difficulty accepting. Precisely because of their long-range nature, the intermediate assumptions are generally considered to be an acceptable gauge of long-range soundness.

The long-range financial condition of the social security trust funds is ordinarily expressed in terms of "percent of taxable payroll" rather than in dollar amounts. This permits a direct comparison between the tax rate actually in the law and the cost of the program. For example, if the program is projected to have a deficit of "one percent of taxable payroll", this means that the social security tax rates now in the law would have to be increased by .5 percentage points on employee and employer, each, in order to pay for the benefits due under present law. (Alternatively, the program could be brought back into balance by an equivalent reduction in benefit outgo or by a combination of revenue increases and outgo reductions.) If the program is projected to have a deficit of 1.5 percent of taxable payroll and expenditures are projected to be 10 percent of taxable payroll, then, under the given set of assumptions, 15 percent (1.5 divided by 10) of expenditures could not be met with that tax schedule. At the present time, total taxable payroll amounts to almost $1.4 trillion so that in 1982, 1.5 percent of payroll represents about $20 billion.

The following table provides estimates of the long-range actuarial status of the social security cash benefit programs over the next 75 years. These estimates are based on the intermediate II–B assumptions used in the 1981 Trustees' report. The leftmost column in the table shows that the cash benefits trust funds, despite their deficit in the next few years, have a surplus over the next 25 years. However, the HI program has, over that same period, a deficit of more than 3 times the magnitude of the cash benefit surplus. When all three funds are combined, the programs have an aggregate deficit both over the next 25 years and throughout the 75-year valuation period.

TABLE 15.—LONG-RANGE STATUS OF THE OASDHI TRUST FUNDS

[Percent of taxable payroll]

	25-year periods			75-year period, 1982–2056
	1982–2006	2007–2031	2032–2056	
OASDI:				
Income	12.01	12.40	12.40	12.27
Outgo	11.37	14.08	16.81	14.09
Balance	.64	−1.68	−4.41	−1.82
HI:				
Income	2.86			
Outgo	4.83			
Balance	−1.97			

Source: 1982 Board of Trustees' Intermediate II–B Assumptions. HI trust fund status only projected for 25-year period.

Over the next 75 years, the cash benefits programs have a deficit of 1.82 percent of payroll. This means that—under the actuaries' best current estimates—social security taxes would have to be increased by a combined 1.82 percentage points (or $25 billion in 1982 terms) for each of the next 75 years. This (again in 1982 terms) represents a total deficit of $1.9 trillion over the next 75 years.

If the deficit in the OASDI program is not addressed in the near term, it becomes substantially larger on an annual basis in the future. For the last one-third of the 75-year period, an average annual deficit of 4.41 percent of taxable payroll (over $60 billion per year in 1982 terms) is projected.

Although the official long-range estimates of the HI program are made on a 25-year basis, that program faces some of the same longer range problems as the cash benefits program—for example, the increased size of the beneficiary population relative to the taxpaying population. In 1981, the staff asked the Health Care Financing Administration actuaries to make a 75-year estimate of the status of the HI trust fund. Under that projection, the HI fund has a 75-year deficit of 4.45 percent of taxable payroll. When this is combined with the 1.82 percent deficit of the OASDI system, the total social security program shows an average deficit in each of the next 75 years of 6.27 percent—in 1982 terms, $85 billion per year or $6.4 trillion over the entire period.

Shortly after the turn of the century, the cost of the OASDHI programs rises sharply, growing to a level which would require a payroll tax in excess of 25 percent in the year 2035. Under pessimistic assumptions, the cost of paying for present-law benefits under OASDHI would require a payroll tax of almost 50 percent in the year 2055.

2. MEDICARE

SUMMARY

Medicare, authorized under title XVIII of the Social Security Act, is a nationwide health insurance program for the aged and certain disabled persons. Medicare has two parts, the hospital insurance or part A program and the supplementary medical insurance or part B program.

LEGISLATIVE OBJECTIVE

Section 1811 of the Social Security Act specifies that the part A program provides basic protection against the costs of hospital, related posthospital, and home health services for eligible individuals. Section 1831 of the act establishes a voluntary insurance program to provide medical insurance benefits for aged and disabled individuals who elect to enroll in the program.

ELIGIBILITY CRITERIA

The vast majority of persons reaching age 65 are automatically entitled to protection without cost under the hospital insurance program. Persons aged 65 and older not entitled to coverage may voluntarily obtain hospital insurance protection, providing they pay the full cost of such coverage (currently $89 per month rising to $113 per month on July 1, 1982). Also eligible are disabled workers at any age, disabled widows and disabled dependent widowers between the ages of 50 and 65, beneficiaries aged 18 or older who receive benefits because of disability prior to reaching age 22, and disabled railroad annuitants (all after a certain period of disability). Fully or currently insured workers under Social Security and their dependents with chronic renal disease are, under certain circumstances, considered to be disabled for purposes of hospital insurance coverage.

The supplementary medical insurance portion of medicare is a voluntary program. All persons aged 65 or older (whether or not they are entitled to hospital insurance) and all other persons entitled to hospital insurance (i.e., the disabled) may elect to enroll in the supplementary medical insurance program. Persons aged 65 or older who elect to "buy into" the hospital insurance program are required to buy part B supplementary protection as well.

The number of persons with medicare protection is shown in table 1.

BENEFITS

PART A BENEFITS

During each benefit period,[1] hospital insurance pays the "reasonable costs" for the following services:

Inpatient hospital care—90 days. For the first 60 days, the reasonable cost of all covered services, except for an initial inpatient hospital deductible ($260 in 1982). For the 61st day through the 90th day, the costs of all covered services, except for a daily coinsurance ($65 in 1982). An additional "lifetime reserve" of 60 hospital days may be drawn upon when more than 90 days per benefit period is needed. Each reserve day pays for all covered services, except for a coinsurance of $130 per reserve day in 1982. Special limitations apply in the case of treatment in mental hospitals.

Skilled nursing facility care—100 days in a skilled nursing facility for persons in need of skilled nursing care and/or skilled rehabilitation services on a daily basis. All covered services are paid for the first 20 days, after which patients must pay a daily coinsurance amount ($32.50 in 1982). Patients must be in a hospital for 3 consecutive days and must, except for special circumstances, be admitted to the skilled nursing facility within 30 days following hospital discharge.

Home health care—Medically necessary home health visits by nurses, therapists, and other health workers to individuals in need of skilled nursing care, physical therapy, or speech therapy. Eligibility for home health services may be extended solely on the basis of need for occupational therapy; however, occupational therapy cannot serve as an initial qualifying criterion.

PART B BENEFITS

During any calendar year, supplementary medical insurance (with certain exceptions) pays 80 percent of the "reasonable charges" for covered services, after the insured pays the first $75 toward the costs of such services. Covered services include:

Services of independent practitioners—Includes the services of medical doctors, osteopaths, chiropractors, and certain other practitioners regardless of where their services are provided (hospital, office, home, etc.). Special limitations apply in the case of psychiatric care outside of hospitals and for certain therapy services provided by an independent therapist practitioner.

Medical and other services—Certain diagnostic services; X-ray or other radiation treatments; surgical dressings; casts, braces, artificial limbs and eyes; certain other equipment; certain medical supplies; ambulance services; rural health clinic services; kidney dialysis services and supplies; comprehensive outpatient rehabilitation facility services; pneumococcal vaccine and its administration without regard to the coinsurance and deductible; and home health services for individuals not covered under part A.

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[1] A "benefit period" begins the first time an insured person enters a hospital after his hospital insurance begins. It ends after he has not been an inpatient in a hospital or skilled nursing facility for 60 days in a row. There is no limit to the number of benefit periods an insured person may have.

Outpatient and laboratory services—Certain physical therapy and speech pathology services; clinical lab, X-ray and other services of pathologists and radiologists. The coinsurance exemption for inpatient radiology and pathology services only applies where the physician accepts medicare payments as payments in full for all program eligibles.

FINANCING

For the most part, the part A hospital insurance program is financed by means of a special hospital insurance payroll tax levied on employees, employers, and the self-employed. During calendar year 1982 each will pay a tax equal to 1.30 percent of the first $32,400 of covered yearly earnings. The tax rate is slated to remain at 1.30 percent through 1984 and rise to 1.35 percent in 1985 and 1.45 percent in 1986; covered yearly earnings subject to the tax will be automatically adjusted each year.

The part B supplementary medical insurance program is financed on a current basis from monthly premiums paid by persons insured under the program and from the general revenues of the Treasury. Aged persons protected by the supplementary program pay only about one-quarter of the costs of benefits and program administration while the disabled pay about one-seventh of such costs; the balance is paid for by the Federal Government. The monthly premium charge for enrollees under the part B program is $11.00 for the period July 1981–June 1982 rising to $12.20 for the period July 1982–June 1983.

Federal outlays in selected years are shown in table 1.

PAYMENT FOR SERVICES

Payments under medicare are made on the basis of "reasonable costs" to institutional providers and "reasonable charges" to physicians and other practitioners. Specific criteria are established in medicare law and regulations for making these determinations. Institutional providers of services submit bills on behalf of the beneficiary and agree to accept the program's reasonable cost reimbursement as payment in full for covered services. Beneficiaries are liable only for the applicable deductible and coinsurance amounts in connection with such services.

For services paid on a reasonable charge basis, payment is made either to the doctor or beneficiary depending on whether or not the physician or supplier has accepted assignment for the claim. In the case of assigned claims, beneficiaries are liable for the applicable deductible and coinsurance amounts. In addition, for nonassigned claims, the patient is responsible for any difference between the reasonable charge determined by medicare and the physician's actual bill.

Administration

The medicare program is administered by the Health Care Financing Administration (HCFA) of the Department of Health and Human Services. Much of the day-to-day operational work of the program is performed by "intermediaries" and "carriers" which have responsibility for reviewing claims for benefits and making payments.

Hospitals and other providers that are paid on a reasonable cost basis can nominate, subject to HCFA's approval, a national, State, or other public or private agency to serve as a fiscal intermediary between themselves and the Federal Government. Presently, there are nine organizations serving as medicare intermediaries: this figure includes the Blue Cross Association which carries out its claims administration activities through 69 statewide and local Blue Cross plans.

Medicare payments that are based on reasonable charges are made by insurance organizations, referred to as carriers, that have been selected by the Secretary to serve specified geographical areas. There are 44 carriers, including 29 Blue Shield plans.

Program Data

TABLE 1.—MEDICARE OVERVIEW

[In millions of dollars; fiscal years] [1]

	1970 (actual)	1975 (actual)	1981 (actual)	1982 (current law estimate)	1983 (current law estimate)
Part A.—Federal Hospital Insurance Trust Fund:					
Federal outlays	4,952.9	10,611.5	29,248	34,280	39,241
Persons with protection [2]	20.0	23.7	28.0	28.4	28.9
Aged	20.0	21.6	25.0	25.4	25.9
Disabled		2.1	3.0	3.0	3.0
Persons receiving services	4.4	5.5	7.3	7.3	7.5
Aged	4.4	4.9	6.5	6.5	6.7
Disabled		0.6	.8	.8	.8
Part B.—Federal Supplementary Insurance Trust Fund:					
Federal outlays	2,196.3	4,169.9	13,240	15,520	17,858
Persons with protection [2]	19.2	23.3	27.7	28.2	28.8
Aged	19.2	21.5	24.9	25.5	26.0
Disabled		1.8	2.7	2.8	2.8
Persons receiving services	9.2	12.6	18.6	19.0	19.4

TABLE 1.—MEDICARE OVERVIEW—Continued

[In millions of dollars; fiscal years] [1]

	1970 (actual)	1975 (actual)	1981 (actual)	1982 (current law estimate)	1983 (current law estimate)
Aged	9.2	11.2	16.8	17.1	17.6
Disabled		1.4	1.8	1.8	1.9

[1] Source: Budget of the United States.
[2] Annual average.

PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS (PSRO's)

PROGRAM DESCRIPTION

The "Social Security Amendments of 1972" provided for the establishment of Professional Standards Review Organizations (PSRO's), which are charged with the comprehensive and on-going review of services provided under medicare, medicaid, and the maternal and child health programs. PSRO's determine, for purposes of reimbursement under these programs, whether services are: (1) medically necessary, (2) provided in accordance with professional standards, and (3) in the case of institutional services, rendered in the appropriate setting.

Public Law 97-35, the "Omnibus Budget Reconciliation Act of 1981," required the Secretary to develop PSRO performance criteria and assess, not later than September 30, 1981, the relative performance of each PSRO in: (1) monitoring the quality of patient care; (2) reducing unnecessary utilization; and (3) managing its activities effectively. Based on this assessment, the Secretary was authorized to terminate up to 30 percent of existing PSRO's during fiscal year 82. Pursuant to this requirement, 46 PSRO's were proposed for termination. Of these, 22 were terminated after appeals, 6 terminated without appeals, and 18 were continued after winning their appeals. However, two of those which were continued after appeals subsequently withdrew. Six additional PSRO's recently withdrew from the program. The total number of operational PSRO's was therefore reduced from 187 in May 1981 to 151 in January 1982. Three of these were slated to discontinue their participation in February and March 1982.

Public Law 97-35 also provided for the optional use of PSRO's under State medicaid plans. States may contract with PSRO's for the performance of required review activities; 75 percent Federal matching is available for this purpose.

Program Data

TABLE 1.—PSRO PROGRAM FUNDING

[In millions; fiscal years]

	1975 (actual)	1980 (actual)	1981 (actual)	1982 (current law estimate)	1983 (current law estimate)
Program level	$36.2	$155.2	$145	$109	$49
Hospital reviews		96.6	99	73	34
Other		58.6	45	36	15

3. UNEMPLOYMENT COMPENSATION

SUMMARY

The unemployment compensation system was enacted as a part of the Social Security Act of 1935 to provide partial wage replacement to qualified umemployed workers during periods of temporary and involuntary unemployment. The program is a joint Federal-State system composed of programs administered by the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands.

The framework of the unemployment compensation system is established under the provisions of title III of the Social Security Act and the Federal Unemployment Tax Act (FUTA), chapter 23 of the Internal Revenue Code. The major provisions of the program are determined by State laws. In general, States establish eligibility requirements, the number of weeks an individual may collect unemployment compensation, the amount of the weekly benefit, the circumstances under which benefits may be denied, the length of denial, and the State unemployment tax structure.

The 1980 amendments to the Federal law and the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) established certain eligibility requirements and other limitations with respect to the extended benefits program, one-half of which is financed by the Federal Government. In addition, Public Law 97-35 amends FUTA dealing with Federal unemployment loans to the States and modifies eligibility requirements for ex-service members.

FINANCING THE UNEMPLOYMENT COMPENSATION SYSTEM

The unemployment compensation system is financed by State and Federal payroll taxes on employers. Three States also levy unemployment taxes on employees.

Under the Federal Unemployment Tax Act (FUTA), a payroll tax of 3.4 percent on the first $6,000 of wages is levied on employers who, in the current or last year, employed at least one person for 20 weeks or had a quarterly payroll of at least $1,500. The FUTA tax is also levied on agricultural employers who employ 10 or more workers for 20 weeks or who have quarterly payrolls of $20,000 or more, and on employers who pay at least $1,000 a quarter for services performed by household workers.

If the State's unemployment compensation program meets the requirements of Federal law, as set forth in section 3304 of the Internal Revenue Code, employers in that State receive a 2.7 percent credit against the 3.4 percent Federal unemployment tax. Thus, the Federal tax rate in a State which has an approved program is 0.7

percent. The tax may be higher in States having outstanding unemployment insurance loans from the Federal Government.

Receipts from the Federal tax are deposited in the Federal Unemployment Trust Fund and are used to pay both State and Federal administrative costs associated with the unemployment compensation and State employment service programs, to fund 50 percent of the extended benefits paid to unemployed workers under the Federal-State Extended Unemployment Compensation Act of 1970, and to maintain a loan fund from which an individual State may borrow (title XII of the Social Security Act) whenever it lacks funds to pay State unemployment compensation benefits due for a month.

States also levy unemployment compensation taxes on covered, private employers in the State. State taxes finance regular State benefits and one-half the cost of extended benefits. State unemployment funds are deposited with the Federal Government in the unemployment trust fund, which is a part of the unified Federal budget. States then pay benefits from this fund.

The method and level of taxation varies considerably among the States. Most States have a number of tax rate schedules and will use higher or lower schedules depending on the solvency of the State's trust fund. All jurisdictions, with the exception of Puerto Rico and the Virgin Islands, provide a system of experience rating under which State tax rates vary among employers according to the total amount of unemployment benefits that have recently been paid to former employees of each employer. Federal law requires that no reduced rate (usually a rate below 2.7 percent) may be assigned to an employer except on the basis of the employer's experience rating.

In 1981, the estimated average State tax rate was 2.4 percent of taxable wages, ranging from 0.5 percent in Texas to 4.0 percent in Michigan. All States have a wage base of at least $6,000. Twenty-four States have a higher wage base, ranging from $6,600 to $14,600. In 1981, 22 jurisdictions increased their unemployment tax wage base by amounts ranging from $200 to $2,000. The average increase was $930.

In the case of nonprofit organizations and government entities, Federal law requires the State to provide the employer the option of reimbursing the fund for the actual cost of benefits to unemployed workers rather than being taxed.

Table 1 shows the tax base in each State, the payroll tax rate as a percent of taxable wages and all wages, and those States not receiving the maximum Federal credit of 2.7 percent because of outstanding Federal unemployment loans.

TABLE 1.—STATE UNEMPLOYMENT TAX DATA

State	1982 tax base	Estimated 1981 average tax rates as a percent of—		1982 Federal credit (percent)
		Taxable wages	All wages	
U.S. average	([1])	2.4	1.0	([2])
Alabama	$6,600	1.8	1.0	2.7
Alaska	14,600	3.3	2.1	2.7
Arizona	6,000	1.6	0.6	2.7
Arkansas	6,900	1.4	1.3	2.7
California	6,000	2.6	1.0	2.7
Colorado	6,000	0.8	0.4	2.7
Connecticut	6,000	2.2	0.8	2.0
Delaware	6,600	3.0	0.9	2.1
District of Columbia	7,500	2.6	1.0	2.1
Florida	6,000	1.1	0.5	2.7
Georgia	6,000	1.4	0.7	2.7
Hawaii	13,000	1.6	1.1	2.7
Idaho	13,200	1.9	1.3	2.7
Illinois	7,000	3.3	1.3	2.1
Indiana	6,000	1.7	0.7	2.1
Iowa	8,700	2.4	1.3	2.7
Kansas	7,800	2.1	1.0	2.7
Kentucky	6,000	3.2	1.4	2.7
Louisiana	6,000	2.0	1.0	2.7
Maine	6,000	3.1	1.5	2.1
Maryland	6,000	2.8	1.0	2.7
Massachusetts	6,000	3.3	1.5	2.7
Michigan	6,000	4.0	1.7	2.7
Minnesota	8,000	1.9	0.9	2.7
Mississippi	6,000	2.1	1.0	2.7
Missouri	6,600	1.6	0.6	2.7
Montana	8,000	2.9	1.6	2.7
Nebraska	6,000	1.7	0.7	2.7
Nevada	9,300	2.4	1.4	2.7
New Hampshire	6,000	1.3	0.6	2.7
New Jersey	8,200	3.4	1.6	2.1
New Mexico	8,500	1.8	1.0	2.7
New York	6,000	3.2	1.2	2.7
North Carolina	6,000	1.7	0.9	2.7
North Dakota	9,240	2.6	1.5	2.7
Ohio	6,000	2.8	1.1	2.7
Oklahoma	6,000	0.9	0.4	2.7

TABLE 1.—STATE UNEMPLOYMENT TAX DATA—Continued

State	1982 tax base	Estimated 1981 average tax rates as a percent of—		1982 Federal credit (percent)
		Taxable wages	All wages	
Oregon	$11,000	3.0	1.8	2.7
Pennsylvania	6,600	3.6	1.5	2.1
Puerto Rico[3]	([3])	3.0	3.0	2.1
Rhode Island	8,600	4.2	2.3	2.1
South Carolina	6,000	2.1	1.1	2.7
South Dakota	6,000	1.7	0.9	2.7
Tennessee	6,000	2.4	0.9	2.7
Texas	6,000	0.6	0.2	2.7
Utah	12,300	1.7	1.2	2.7
Vermont	6,000	3.2	1.5	2.1
Virginia	6,000	1.9	0.8	2.7
Virgin Islands	8,000	3.7	2.2	2.1
Washington	10,800	3.0	1.7	2.7
West Virginia	8,000	2.8	1.1	2.7
Wisconsin	6,000	2.6	1.1	2.7
Wyoming	6,000	0.9	0.4	2.7

[1] The 1982 tax base is $6,000 except as otherwise shown in this column

[2] All figures are 2.7 percent except as otherwise shown in this column. To the extent that this credit is lower than 2.7 percent, these additional taxes are due January 30, 1982.

[3] All wages are taxable.

Note.—This table showns the State unemployment tax levels. It does not include the Federal unemployment taxes.

Source: Department of Labor (based on estimates by State agencies).

Table 2 shows recent data on unemployment compensation-covered employment, wages, taxable wages, the ratio of taxable to total wages, and average weekly wages.

TABLE 2.—12-MONTH AVERAGE EMPLOYMENT AND TOTAL WAGES COVERED BY UNEMPLOYMENT INSURANCE (UI) FOR PERIOD ENDING MARCH 1981

State	Average employment (thousands)	Total wages [1] (millions)	Taxable wages (millions)	Ratio of taxable wages to total wages	Average weekly wages for UI
United States	87,337	$1,251,991	$472,176	0.38	$278
Alabama	1,251	15,936	6,721	0.42	245
Alaska	151	3,584	1,394	0.39	458
Arizona	984	13,665	5,202	0.38	267
Arkansas	708	8,328	3,692	0.44	226
California	9,822	152,454	53,198	0.35	299

TABLE 2.—12-MONTH AVERAGE EMPLOYMENT AND TOTAL WAGES COVERED BY UNEMPLOYMENT INSURANCE (UI) FOR PERIOD ENDING MARCH 1981—Continued

State	Average employment (thousands)	Total wages [1] (millions)	Taxable wages (millions)	Ratio of taxable wages to total wages	Average weekly wages for UI
Colorado [2]	1,191	$17,435	$6,623	0.38	282
Connecticut [3]	1,391	20,428	7,365	0.36	283
Delaware	249	3,841	1,223	0.32	296
District of Columbia	372	6,267	1,864	0.30	324
Florida	3,876	45,046	19,104	0.42	224
Georgia	2,036	26,388	10,712	0.41	249
Hawaii	384	5,020	2,759	0.55	251
Idaho	303	3,898	2,149	0.55	248
Illinois	4,444	70,643	27,208	0.39	306
Indiana	2,036	29,628	10,505	0.35	280
Iowa	1,051	13,897	5,662	0.41	254
Kansas	890	11,745	4,423	0.38	254
Kentucky	1,109	14,946	5,634	0.38	259
Louisiana	1,519	22,212	8,680	0.39	281
Maine	393	4,572	1,895	0.41	224
Maryland [2]	1,552	21,119	7,183	0.34	262
Massachusetts	2,538	35,262	13,610	0.39	267
Michigan	3,204	54,546	16,231	0.30	327
Minnesota	1,684	23,716	9,737	0.41	271
Mississippi	770	8,744	3,841	0.44	218
Missouri	1,846	25,515	9,281	0.36	266
Montana	251	3,199	2,004	0.63	245
Nebraska	585	7,183	2,642	0.37	236
Nevada	390	5,594	2,885	0.52	276
New Hampshire	374	4,591	1,864	0.41	236
New Jersey	2,962	45,165	17,246	0.38	293
New Mexico	415	5,423	2,346	0.43	251
New York	6,950	110,517	34,360	0.31	306
North Carolina	2,288	27,625	11,738	0.43	232
North Dakota	213	2,625	1,153	0.44	237
Ohio	4,088	61,874	20,746	0.34	291
Oklahoma	1,089	$15,375	$5,980	0.39	$272
Oregon	983	14,116	6,977	0.49	276
Pennsylvania [2]	4,464	64,483	22,721	0.35	278
Puerto Rico [2]	712	5,975	4,261	0.71	161
Rhode Island	388	4,858	2,109	0.43	241
South Carolina	1,121	13,394	5,686	0.42	230
South Dakota	214	2,352	955	0.42	211

TABLE 2.—12-MONTH AVERAGE EMPLOYMENT AND TOTAL WAGES COVERED BY UNEMPLOYMENT INSURANCE (UI) FOR PERIOD ENDING MARCH 1981—Continued

State	Average employment (thousands)	Total wages [1] (millions)	Taxable wages (millions)	Ratio of taxable wages to total wages	Average weekly wages for UI
Tennessee [2]	1,642	$20,707	$8,418	0.41	243
Texas	5,651	83,488	32,246	0.39	284
Utah	486	6,621	3,548	0.54	262
Vermont	189	2,252	899	0.40	229
Virginia [3]	1,924	24,760	10,100	0.41	248
Virgin Islands	37	424	161	0.38	221
Washington [2]	1,527	23,038	11,198	0.49	290
West Virginia	600	8,888	3,174	0.36	285
Wisconsin	1,844	25,434	8,656	0.34	265
Wyoming	201	3,190	1,209	0.38	306

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[1] Total wages exceed taxable wages because wages from reimbursable employers are included in the former and because wage base is limited.

[2] Data estimated for 1 quarter.

[3] Data estimated for 3 quarters.

COVERAGE

More than 87 million workers, or about 97 percent of wage and salary workers, are covered by the unemployment compensation system. (See Table 3.) "Covered" employment is employment subject to the Federal and/or State unemployment taxes; or, employment (such as employment for State and local governments and nonprofit organizations) that States are required by Federal law to cover under their programs even though such employment is not subject to the Federal unemployment tax.

As already noted, an employer is subject to the Federal unemployment tax if, during the current or last year, he employed one or more individuals during some part of a day in each of at least 20 calendar weeks, or if he paid wages of $1,500 or more during one calendar quarter of either year. In addition, agricultural employers who employ 10 or more farmworkers in 20 weeks or have quarterly payrolls for agricultural services of $20,000 or more are covered. Also covered are employers who pay $1,000 cash wages or more in a quarter to domestic workers. Federal law also requires coverage of employment for nonprofit organizations with four or more workers and coverage of employment for State and local governments.

Failure by a State to cover employment required to be covered under Federal law results in employers in the State being denied the credit against the Federal tax. Further, employees not covered under State law are not eligible for benefits if they become unemployed. Hence, coverage in all States is at least as broad as Federal law with minor exceptions.

Where employment is specifically exempt from Federal taxation, under the provisions of FUTA, a State may provide coverage at its option. Employment *exempt* under Federal law includes self-employment, employment for relatives, employment of a student by a school or university, and employment of agricultural or domestic workers which does not meet the quarterly payroll minimum specified above. Most States have chosen not to cover this exempt employment, although some States cover a portion of the services.

TABLE 3.—UNEMPLOYMENT COMPENSATION PROGRAM STATISTICS

	Fiscal year—							
	1976	1977	1978	1979	1980	1981	1982 (estimate)	1983 (estimate)
Total unemployment rate (percent)	8.0	7.4	6.2	5.8	6.8	7.4	8.9	8.1
Insured unemployment rate (percent) [1]	5.0	4.1	3.5	3.1	3.8	3.5	4.7	4.5
Coverage (millions of individuals)	66.6	70.0	79.9	86.1	87.0	88.2	88.1	90.6
Average weekly benefit amount (dollars)	71.75	75.80	80.40	85.00	95.70	101.60	107.9	113.7
State unemployment compensation:								
Claimants (millions of individuals)	8.657	8.358	7.647	7.797	9.906	8.777	11.300	10.400
Regular benefit exhaustions (millions of individuals)	4.1	2.9	2.2	2.0	2.7	3.2	3.7	4.4
Regular benefits paid (billions of dollars)	10.24	8.94	8.32	8.74	12.95	13.46	19.47	19.24
Extended benefits (State share: billions of dollars)	1.41	0.95	0.51	0.12	0.56	1.06	1.61	0.67
State tax collections (billions of dollars)	6.40	9.25	11.03	12.27	11.91	12.37	12.54	14.25
State trust fund impact (income-outlays: billions of dollars)	−5.25	−0.64	+2.20	+3.41	−1.60	−6.03	−8.53	−5.66
Federal unemployment compensation accounts:								
Federal tax collections (billions of dollars)	1.53	1.87	2.60	2.91	3.19	3.26	3.20	3.35
Outlays: Federal extended benefits share plus Federal supplemental benefits (billions of dollars)	4.98	2.61	0.69	0.12	0.56	1.06	1.61	0.67

BENEFITS

The States have developed diverse methods for determining if an individual qualifies for unemployment compensation and, if so, the amount and duration of his or her weekly payments. Among the most important of these factors are (1) a demonstrated ability and willingness to seek and accept suitable employment, (2) specified disqualifications related primarily to the circumstances of separation from the most recent employment and refusal of a job offer, and (3) the amount of employment and wages prior to becoming unemployed.

Eligibility conditions

All State laws provide that, to receive benefits, a claimant must be (1) able to work and (2) available for work. These requirements are positive conditions that must be continually met in order to receive benefits.

Only minor variations exist in State laws setting forth the requirements concerning "ability to work." A few States specify that a claimant must be mentally and physically able to work.

"Available for work" is often translated to mean being ready, willing, and able to work. In addition to registration for work at a local employment office, most State laws require that a claimant be actively seeking work or making a reasonable effort to obtain work. Without good cause, a person generally may not refuse an offer of or referral to "suitable work."

"Suitable work" is generally work in a claimant's customary occupation, which meets certain health, safety, moral, and labor standards. Most State laws list certain criteria by which the "suitability" of a work offer is to be tested. The usual criteria include the degree of risk to a claimant's health, safety, and morals; the physical fitness and prior training, experience, and earnings of the person; the length of unemployment and prospects for securing local work in a customary occupation; and the distance of the available work from the claimant's residence. Generally, as the length of unemployment increases the claimant is required to accept a wider range of jobs.

In addition, Federal law requires States to deny benefits provided under the extended benefit program to any individual who fails to accept any work that is offered in writing or is listed with the State employment service, or fails to apply for any work to which he or she is referred by the State agency, if the work is within the person's capabilities, pays wages equal to the highest of the Federal or any State or local minimum wage, pays a gross weekly wage that exceeds the person's average weekly unemployment compensation benefits plus any supplemental unemployment compensation, and is consistent with the State definition of "suitable" work in other respects.

States must refer extended benefits claimants to any job meeting these requirements. If the State, based on information provided by the individual, determines that the individual's prospects for obtaining work in his or her customary occupation within a reasonably short period are good, the determination of whether any work is "suitable work" is made in accordance with State law rather than the above.

There are certain circumstances under which Federal law provides that State and extended benefits may not be denied. A State may not deny benefits to an otherwise eligible individual for refusing to accept new work under any of the following conditions: (1) If the position offered is vacant due directly to a strike, lockout, or other labor dispute; (2) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than in those prevailing for similar work in the locality; (3) if as a condition of being employed the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization. Further, benefits may not be denied solely on the grounds of pregnancy. The State is prohibited from canceling wage credits or totally denying benefits except in cases of misconduct, fraud, or receipt of disqualifying income.

There are also certain conditions under which Federal law requires that benefits be denied. For example, benefits must be denied to teachers and other professional employees of education institutions during summer (and other vacation periods) if they have a reasonable assurance of reemployment; to professional athletes between sport seasons; and to aliens not legally admitted to work in the United States.

TABLE 4.—WEEKLY STATE UNEMPLOYMENT COMPENSATION BENEFITS IN 1982

State	Weekly benefit amount [1]		Required total earnings in base year [2]		Minimum work in base year (quarters) [3]	Average weekly benefit
	Minimum	Maximum	For minimum weekly benefit	For maximum weekly benefit		
Alabama	$15	$90	$522	$3,204	2	75
Alaska	34–58	150–222	1,000	15,500	2	118
Arizona	25	95	938	3,544	2	85
Arkansas	31	136	930	4,080	2	88
California	30	136	1,100	4,641	....	89
Colorado	25	176	750	18,201	....	116
Connecticut	15–22	146–196	600	5,840	2	104
Delaware	20	150	720	5,400	....	103
District of Columbia	13–14	206	450	7,071	2	128
Florida	10	125	400	4,960	2	78
Georgia	27	115	413	4,275	2	77
Hawaii	5	169	150	5,070	2	109
Idaho	36	145	1,138	4,680	2	97
Illinois	45	148–198	3,829	4,214	2	130
Indiana	40	84–141	1,500	2,413	2	89
Iowa	17–18	146–176	600	4,168	2	120
Kansas	37	149	1,110	4,470	2	109

TABLE 4.—WEEKLY STATE UNEMPLOYMENT COMPENSATION BENEFITS IN 1982—Continued

State	Weekly benefit amount [1]		Required total earnings in base year [2]		Minimum work in base year (quarters) [3]	Average weekly benefit
	Minimum	Maximum	For minimum weekly benefit	For maximum weekly benefit		
Kentucky	22	140	1,000	4,412	2	100
Louisiana	10	183	300	5,490	....	114
Maine	20–25	115–173	1,322	2,519	2	85
Maryland	25–28	140	900	5,040	2	97
Massachusetts	12–18	156–234	1,200	4,030	....	100
Michigan	41–44	182	[4]1,318	[4]5,850	2	115
Minnesota	30	177	750	6,345	2	122
Mississippi	10	90	360	3,240	2	72
Missouri	14	105	450	3,150	2	87
Montana	36	145	1,000	5,780	2	101
Nebraska	12	106	600	2,750	2	92
Nevada	16	136	562	5,063	2	103
New Hampshire	26	132	1,700	16,500	2	81
New Jersey	20	145	600	4,340	2	103
New Mexico	26	130	813	4,193	2	87
New York	25	125	800	4,980	2	91
North Carolina	15	152	1,368	5,909	2	85
North Dokota	42	156	1,680	6,240	2	112
Ohio	10	147–233	400	5,840	2	124
Oklahoma	16	176	1,000	6,563	2	106
Oregon	41	158	1,000	12,600	2	103
Pennsylvania	35–40	190–198	1,320	7,520	2	116
Rhode Island	35–40	143–163	1,240	5,163	2	93
South Carolina	10	118	300	4,563	2	82
South Dakota	28	129	1,568	7,198	2	102
Tennessee	20	110	720	3,960	2	80
Texas	21	147	750	5,475	2	94
Utah	10	166	700	4,290	2	110
Virgin Islands	15	115	396	3,450	2	68
Vermont	18	135	700	5,380	2	90
Virginia	44	138	2,200	6,901	2	94
Washington	45	163	1,113	4,062	....	112
West Virginia	18	194	1,150	18,200	2	106
Wisconsin	34	179	990	5,340	2	119
Wyoming	24	165	958	6,560	2	116

TABLE 4.—WEEKLY STATE UNEMPLOYMENT COMPENSATION BENEFITS IN 1982—Continued

State	Weekly benefit amount [1]		Required total earnings in base year [2]		Minimum work in base year (quarters) [3]	Average weekly benefit
	Minimum	Maximum	For minimum weekly benefit	For maximum weekly benefit		
Puerto Rico	7	84	280	3,360	2	55

[1] A range of amounts is shown for those States which provide dependents' allowances.

[2] In some States larger total earnings may be required in order for the benefits to be paid for the maximum number of weeks.

[3] Required to qualify for minimum benefits. "2Q" denotes that State directly or indirectly requires work in at least 2 quarters of the base year. States without an entry have the minimum work requirement specified as a wage amount.

[4] Effective March 31, 1981, through March 31, 1983. Michigan's weekly benefit amount is 70 percent of an individual's average weekly after-tax wage up to 58 percent of the State's average weekly wage. The qualifying wage is 20 times the State minimum hourly wage for 18 weeks. Figures shown were calculated by assuming that the after-tax wage is 80 percent of the pre-tax wage $((41\times 18)/(0.7\times 0.8)=1{,}318$; and $(182\times 18)/(0.7\times 0.8)=5{,}850)$.

Source: Department of Labor.

Amount and Duration of Weekly Benefits

All States require that in order to receive benefits an individual must have earned a specified amount of wages and/or worked for a certain period of time prior to filing for unemployment compensation. The amount of wages or duration of previous unemployment that is required varies significantly from State to State. In general, the amount of a qualified claimant's weekly payment (up to a maximum amount specified in State law), and the number of weeks he or she can draw benefits, vary according to the claimant's previous wages.

The period of past wages used and the formulas for computing benefits from these past wages vary greatly among the States. In most of the States, the formula is designed to compensate for a fraction of the full-time weekly wage the individual was receiving while working, within the limits of State established minimum and maximum benefit amounts. Most of the States use a formula which determines benefits on the basis of wages earned in that quarter of recent employment in which wages were highest. A worker's weekly benefit rate, intended to represent a certain proportion of his or her average weekly wages in the high quarter, is computed directly from these wages. Table 4 provides information on the weekly benefit amounts payable in each State.

In most States, the number of weeks a person can collect benefits varies according to the amount of previous wages earned or weeks of employment prior to unemployment. Ten States provide "uniform duration" of benefits and entitle all qualifying claimants to the same maximum potential number of weeks of benefits, although the weekly benefit amount varies according to each claimant's previous employment record. Generally, States provide up to a maximum of 26 weeks of State unemployment compensation benefits to unemployed individuals who meet the qualifying requirements of State law. As shown in Table 5, many claimants qualify for less than the maximum 26 weeks, and in 8 States, claimants may receive more than 26 weeks of State benefits. In fiscal year 1981, the average length of time a recipient received benefits was 15.4 weeks.

During 1981, the minimum duration (in weeks) of regular unemployment benefits increased in eight States; the minimum and maximum duration decreased in one State. Minimum weekly benefit amounts increased in 23 States. The maximum weekly benefit payable as well as the required base year earnings increased in all but 3 jurisdictions.

TABLE 5.—DURATION (IN WEEKS) OF REGULAR UNEMPLOYMENT BENEFITS IN 1982 [1]

State	Minimum potential duration	Maximum potential duration	Earnings in base year required for maximum potential benefits [2]
Alabama	11	26	$7,017
Alaska	14	26	15,500
Arizona	12	26	7,409
Arkansas	10	26	10,605
California	12	26	7,070
Colorado	7	26	18,201
Connecticut	26	26	5,840
Delaware	18	26	7,798
District of Columbia	17	34	14,006
Florida	10	26	12,897
Georgia	4	26	11,956
Hawaii	26	26	5,070
Idaho	10	26	12,168
Illinois	26	26	4,214
Indiana	9	26	8,736
Iowa	15	26	11,388
Kansas	10	26	11,619
Kentucky	15	26	10,919
Louisiana	12	28	12,808
Maine	7	26	8,969
Maryland	26	26	5,040
Massachusetts	9	30	12,997
Michigan	13	26	[3] 6,309
Minnesota	11	26	13,061
Mississippi	12	26	7,017

TABLE 5.—DURATION (IN WEEKS) OF REGULAR UNEMPLOYMENT BENEFITS IN 1982 [1]—Continued

State	Minimum potential duration	Maximum potential duration	Earnings in base year required for maximum potential benefits [2]
Missouri	10	26	8,190
Montana	8	26	12,210
Nebraska	17	26	8,189
Nevada	11	26	10,605
New Hampshire	26	26	16,500
New Jersey	15	26	7,595
New Mexico	18	26	5,632
New York	26	26	4,980
North Carolina	13	26	11,856
North Dakota	12	26	11,929
Ohio	20	26	7,592
Oklahoma	20	26	13,725
Oregon	8	26	12,600
Pennsylvania	26	30	7,520
Rhode Island	12	26	10,844
South Carolina	10	26	9,201
South Dakota	18	26	10,059
Tennessee	12	26	8,577
Texas	9	26	14,152
Utah	10	36	14,157
Virgin Islands	26	26	3,450
Vermont	26	26	5,380
Virginia	12	26	13,800
Washington	16	30	14,669
West Virginia	28	28	18,200
Wisconsin	1	34	15,308
Wyoming	12	26	13,750
Puerto Rico	20	20	3,360

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[1] Based on benefits for total unemployment. Amounts payable can be stretched out over a longer period in the case of partial unemployment.

[2] Based on maximum weekly benefit amount paid for maximum number of weeks. Total potential benefits equals a worker's weekly benefit amount times his potential duration.

[3] Effective March 31, 1981, through March 31, 1983. Michigan's weekly benefit amount is 70 percent of an individual's average weekly after tax wage up to 58 percent of the State's average weekly wage. The current maximum is $182 per week. The figure of $6,309 was calculated based on $182 ((182×26)/0.75=6,309).

Source: Department of Labor.

Disqualifications

The major causes for disqualification from benefits are not being able to work or available for work, voluntary separation from work without good cause, discharge for misconduct connected with the work, refusal of suitable work without good cause, and unemployment resulting from a labor dispute. Disqualification for one of these reasons may result in a postponement of benefits for some prescribed period, a cancellation of benefit rights, or a reduction of benefits otherwise payable.

Of the 23.5 million "monetarily eligible" initial UI claimants in fiscal year 1980, 19.2 percent were disqualified. This figure subdivides into 5.6 percent for not being able to work or available for work, 5.7 percent for voluntarily leaving a job without good cause, 2.9 percent for being fired for misconduct on the job, 0.3 percent for refusing suitable work, and 4.7 percent for committing other disqualifying acts. The total disqualification rate ranged from a low of 5.7 percent in North Carolina to a high of 88.4 percent in Nebraska.

Service members who leave the military at the end of an enlistment period are disqualified from benefits if they were eligible to reenlist. Specifically, effective for separations from military service occurring on or after July 1, 1981, federally financed unemployment benefits are not payable unless the individual: (1) was discharged or released under honorable conditions; (2) did not resign or voluntarily leave the service; and (3) was not released or discharged for cause as defined by the Department of Defense. The provision is effective with respect to weeks of unemployment beginning after August 13, 1981.

Federal law requires that benefits provided under the extended benefits program will be denied to an individual for the entire period of his or her unemployment if he or she was disqualified from receiving State benefits because of voluntarily leaving employment, discharge for misconduct, or refusal of suitable work. Extended benefits will be denied even though the disqualification was subsequently lifted with respect to the State benefits prior to reemployment. The person could receive extended benefits if the disqualification is lifted because he or she became reemployed and met the work or wage requirement of State law.

Pension offset

In addition, Federal law requires that an individual's unemployment benefit must be reduced by the amount of any public or private work-related pension income a claimant is receiving if such pension was maintained or contributed to by a base period or chargeable employer. In determining the amount of the offset, States are permitted to take into account any employee contributions to the pension. Because almost all employers are covered by the social security old-age and survivor's program and contribute social security payroll taxes to the social security trust fund, most social security old-age recipients who claim unemployment compensation are subject to this pension offset.

FEDERAL UNEMPLOYMENT LOANS TO STATES

A State that has depleted its own unemployment funds may receive Federal loans as necessary to pay regular State benefits. States that borrow funds have two to three years to repay the loan, depending on the month the loan is received. (Technically, a State has until November 10 of the calendar year in which the second consecutive January 1 passes with the State still having an outstanding advance. This means that a State may have from 22 months and 10 days to 34 months and 10 days to repay the advance, depending on when it obtained the outstanding loan.) If a State does not fully repay the loan within the two to three year period, employers in the State become subject to an annual reduction in the 2.7 percent credit against the 3.4 percent FUTA tax of 0.3 percent. In other words, the 0.7 percent *net* Federal unemployment tax rate becomes subject to annual increases up to a maximum of 3.4 percent until sufficient revenue has been raised to repay the State's entire outstanding loan balance (See Figure 1).

The Omnibus Budget Reconciliation Act of 1981 modifies FUTA provisions regarding Federal unemployment loans to the States. Effective April 1, 1982 through December 31, 1987, States will be charged interest on new loans that are not repaid by the end of the fiscal year in which they are obtained. Under previous law, States could receive these loans interest-free. The interest rate will be the same rate as that paid by the Federal Government on State reserves in the Federal Unemployment Trust Fund for the quarter ending December 31 of the preceding year, but not higher than 10 percent per annum. A State may not pay the interest directly or indirectly from funds in their State accounts in the Federal Unemployment Trust Fund.

Effective for taxable years beginning January 1, 1981, and ending December 31, 1987, in States that meet certain solvency requirements, the 0.3 percent per year increase in the *net* FUTA tax resulting from overdue Federal loans would be limited to the higher of: (a) the total of any such increases in effect in the year prior to the year the State meets the solvency requirements; or (b) 0.6 percent. There are four solvency requirements. The first two requirements apply for taxable years 1981 through 1987; the last two requirements apply only for taxable years 1983 through 1987. A State qualifies for the limitation if the Secretary of Labor determines by November 10 of the tax year in question that:

(1) the State has not reduced its State unemployment taxes;

(2) the State has taken no action that results in a decrease in the solvency of the State unemployment trust fund (e.g., if it increases benefits it must provide for a commensurate increase in State unemployment taxes);

(3) the average unemployment tax rate (taxes divided by total wages) in the State equals or exceeds the average unemployment benefit-cost rate (i.e., benefits divided by total wages) for the past five years; and

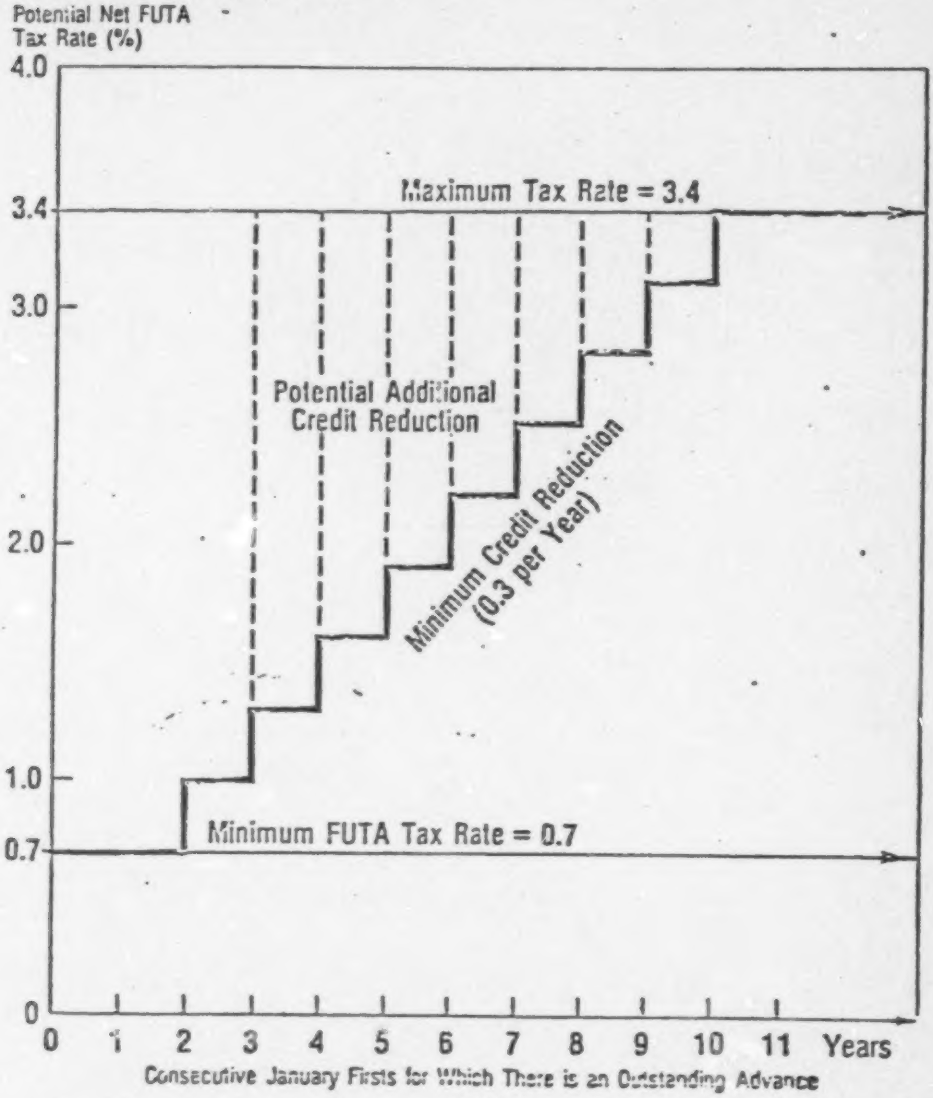
(4) the State's outstanding loan balance on September 30 of the tax year in question is not greater than its outstanding loan balance on the second preceding September 30 for tax

year 1983, and the third preceding September 30 for subsequent years.

As of December 31, 1981, outstanding unemployment loans totaled $6.271 billion. Table 6 shows the loans made to each State. In 1981, $1.613 billion in new loans were approved for 9 jurisdictions. Figure 1 shows the potential FUTA tax increase in States with outstanding loans.

Figure 1.

The Potential Net Federal Unemployment Tax Act (FUTA) Tax Rate in States with Outstanding Advances from the Federal Unemployment Account for Two Consecutive January Firsts



Source: Congressional Research Service.

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TABLE 6.—ADVANCES TO STATES FROM THE FEDERAL UNEMPLOYMENT ACCOUNT (FUA) AS OF DEC. 31, 1981

[In millions of dollars, calendar year]

States	1972–74	1975–77	1978	1979	1980	Loans requested and approved in 1981	Repayments	Total outstanding
Alabama		56.7					56.7	
Arkansas		30.0			29.2	34.8	30.0	64.0
Conn	62.0	415.0	37.0				193.1	320.9
Delaware		36.6	10.4			9.5	10.1	46.4
D.C		59.0	8.4	6.1			22.4	51.1
Florida		42.0					42.0	
Hawaii		22.5					22.5	
Illinois		758.6	187.9		37.5	487.0	65.6	1,405.4
Kentucky						52.1		52.1
Maine		22.9	13.5				5.0	31.4
Maryland		62.7					62.7	
Mass		265.0					265.0	
Michigan		624.0			842.0	233.0	624.0	1,075.0
Minn		172.0			28.2	85.8	172.0	114.0
Montana		9.3	1.2				10.5	
Nevada		7.6					7.6	
N.J		638.9	96.0				122.5	612.4
N.Y		155.8	180.0				335.8	
Ohio		1.9			246.1	353.8	1.9	599.9
Oregon		18.5					18.5	
Pa		926.3	261.0	35.0	222.0	305.0	183.0	1,566.3
P.R		75.2	13.5				7.9	80.8
R.I		74.8	31.0	5.0	18.5		17.3	112.0
Vermont	5.3	42.6					11.7	36.2
V.I		10.9					6.7	4.2
Wash	44.1	105.3					149.4	
W. Va					47.2	52.6		99.8
Total	111.4	4,634.1	839.9	46.1	1,470.7	1,613.6	2,443.9	6,271.9

Source: U.S. Department of Labor. Unemployment Insurance Service, Division of State Program Management, Tax Administration Group.

EXTENDED BENEFITS

Under the permanent Federal-State extended benefits program, additional weeks of unemployment compensation are payable to individuals who exhaust their State benefits during periods of high unemployment. Under the extended benefits program, an individual may receive additional weeks of benefits equal to one-half of the number of weeks of State benefits to which he or she was entitled. No one may receive more than 13 weeks of extended benefits, or more than 39 weeks of State plus extended benefits.

Until September 25, 1982, extended benefits are payable in a State when, for the most recent 13-week period, the State insured unemployment rate (IUR—the percentage of workers covered by the State unemployment compensation program who are currently claiming State benefits) averages or exceeds at least 4 percent and, in addition, is 20 percent higher than it was during the same 13-week period in the two previous years. When the "20 percent" factor is not met, a State, at its option, may provide extended benefits when the State IUR averages 5 percent. (39 States have incorporated the optional 5 percent trigger into their State law.)

Effective September 25, 1982, as a result of modifications enacted in the 1981 Budget Reconciliation Act, extended benefits are payable in a State when its insured unemployment rate equals or exceeds 5.0 percent (rather than 4.0 percent as under current law) and is 20 percent higher than the rate for the same period in the previous two years. If the "20 percent" factor is not met, at State option, extended benefits are payable if the State's insured unemployment rate equals or exceeds 6.0 percent (rather than 5.0 percent as under present law).

In addition, extended benefits claimants must have worked at least 20 weeks, or have an equivalent amount of wages, during the based period in order to receive extended benefits payments. A State may use one of the following measures of equivalent wages: (1) wages equal to 40 times the claimant's weekly benefit amount; or (2) wages equal to 1.50 times the claimant's wages earned in the quarter with the highest wages.

TABLE 7.—STATE EXTENDED BENEFIT INDICATORS FOR THE SECOND WEEK IN MARCH 1980, 1981, AND 1982

	13-week insured unemployment rate			Percent of prior 2 years	Date extended benefits triggered on
	1980	1981	1982		
Alabama	4.19	4.69	5.48	123	Feb. 14, 1982.
Alaska	9.15	9.45	9.01	96	Jan. 19, 1975.
Arizona	2.17	2.54	3.31	140	Off
Arkansas	5.08	5.57	6.53	122	Mar. 7, 1982.
California	3.93	4.18	4.97	122	Feb. 7, 1982.
Colorado	1.95	2.51	2.90	124	Off
Connecticut	2.93	3.20	3.66	119	Off
Delaware	3.63	5.10	5.03	115	Off
District of Columbia	2.73	2.63	(2)	(2)	Off
Florida	1.89	1.77	2.14	116	Off
Georgia	2.54	2.70	3.87	147	Off
Hawaii	2.57	2.88	3.55	130	Off
Idaho	6.12	6.14	8.84	144	Oct. 18, 1981.

Administrative costs (billions of dollars):								
Unemployment Insurance Service	0.88	0.96	0.93	0.97	1.15	1.32	NA	NA
Employment Service	0.54	0.60	0.64	0.70	0.73	0.78	NA	NA
Total administrative costs	1.42	1.56	1.57	1.67	1.88	2.10	2.28	2.34

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[1] The percent of workers covered under State unemployment compensation programs who collected unemployment compensation benefits.

NA—Not available.

Sources: Office of Research, Legislation and Program Policies/ETA/UIS/DOL, Division of Actuarial Services, and U.S. Budget Appendixes.

TABLE 7.—STATE EXTENDED BENEFIT INDICATORS FOR THE SECOND WEEK IN MARCH 1980, 1981, AND 1982—Continued

	13-week insured unemployment rate			Percent of prior 2 years	Date extended benefits triggered on
	1980	1981	1982		
Illinois	4.31	5.84	5.38	115	Mar. 7, 1982.
Indiana	4.14	3.99	5.45	134	Jan. 31, 1982.
Iowa	2.97	3.69	5.21	156	Feb. 14, 1982.
Kansas	2.35	2.89	3.44	131	Off
Kentucky	5.80	5.70	6.71	116	Off
Louisiana	3.08	3.02	3.73	122	Off
Maine	5.15	5.58	5.75	107	Feb. 21, 1982.
Maryland	3.31	3.83	4.82	135	Feb. 19, 1982.
Massachusetts	3.70	3.95	4.59	120	Mar. 28, 1982.
Michigan	8.66	7.17	[1] 8.96	114	Feb. 28, 1982.
Minnesota	3.56	3.96	4.55	121	Feb. 28, 1982.
Mississippi	3.70	4.51	[1] 6.06	151	Jan. 17, 1982.
Missouri	4.45	4.53	5.13	114	Mar. 21, 1982.
Montana	5.36	5.40	6.39	118	Off
Nebraska	2.15	2.58	3.33	141	Off
Nevada	2.94	4.47	4.91	132	Feb. 7, 1982.
New Hampshire	2.30	2.69	3.05	122	Off
New Jersey	5.25	5.18	5.55	106	Feb. 28, 1982.
New Mexico	2.66	3.14	3.34	115	Off
New York	4.38	4.15	4.19	98	Off
North Carolina	2.82	3.73	5.61	171	Jan. 31, 1982.
North Dakota	3.95	4.55	4.42	104	Off
Ohio	4.83	5.12	6.73	135	Jan. 17, 1982.
Oklahoma	1.77	1.69	2.11	121	Off
Oregon	5.25	6.25	8.31	144	Mar. 16, 1980.
Pennsylvania	5.52	5.35	6.44	118	Jan. 24, 1982.
Puerto Rico	7.97	7.70	8.69	110	Feb. 23, 1975.
Rhode Island	6.25	6.15	7.15	115	Jan. 24, 1982.
South Carolina	3.01	4.14	5.86	163	Jan. 10, 1982.
South Dakota	2.34	3.00	[1] 2.59	98	Off
Tennessee	4.38	4.74	5.96	130	Jan. 24, 1982.
Texas	1.45	1.60	1.29	80	Off
Utah	3.40	3.88	4.76	130	Feb. 28, 1982.
Vermont	4.80	4.82	5.59	116	Feb. 28, 1982.
Virginia	2.04	2.41	3.04	136	Off
Virgin Islands	3.28	3.13	4.35	127	Feb. 21, 1982.
Washington	4.77	5.41	7.15	140	July 6, 1980.
West Virginia	6.09	6.77	6.87	106	Off.
Wisconsin	5.14	6.31	6.82	119	Jan. 3, 1982.
Wyoming	1.79	2.42	2.95	133	Off
United States	3.18	3.36	4.07	[2]	[3]

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[1] First week in March 1982.

[2] Not available.

[3] Not applicable.

TAXATION OF UNEMPLOYMENT INSURANCE BENEFITS

The Revenue Act of 1978 (Public Law 95-600) provided that State and Federal unemployment insurance benefits would be subject to the Federal income tax for certain taxpayers. Effective for taxable years beginning after December 31, 1978, the amount of unemployment insurance benefits subject to the Federal tax is, generally, an amount equal to the lower of the amount of unemployment compensation or one-half of the excess of adjusted gross income, unemployment insurance payments, and excludable disability income over $20,000 for single taxpayers, over $25,000 for married taxpayers filing jointly, and over zero for married taxpayers filing separately.

ADMINISTRATIVE FINANCING

State unemployment insurance administrative expenses are federally financed through an earmarked portion of FUTA revenue. Under current law, 0.45 percent of FUTA receipts are available for administration. Appropriations for administrative grants to the States may not exceed an estimated 95 percent of the annual revenue yield from the 0.45 percent. The remaining 0.05 percent goes to finance Federal administration. (The additional FUTA revenue not earmarked for administrative purposes finances the Federal share of extended unemployment benefits and unemployment loans to the States.) Title III of the Social Security Act specifies the conditions which a State must meet to be eligible for administrative grants.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

GENERAL DESCRIPTION

The Federal Unemployment Benefits and Allowances (FUBA) account provides Federal Funds to finance Trade Readjustment Allowances (TRA), unemployment compensation (UC) for ex-military personnel, UC under the Redwoods program, and Disaster Relief. Unemployment compensation for Federal employees was transferred out of the FUBA account and into the Unemployment Trust Fund beginning in fiscal year 1982 by an amendment passed as part of the Omnibus Budget Reconciliation Act of 1980 (P.L. 96-499).

Estimated outlays for this account in the President's budget were $270 million and $180 million in fiscal year 1982 and fiscal year 1983, respectively.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

GENERAL DESCRIPTION

Advances are made to the Unemployment Trust Fund and the Other Funds accounts when they have insufficient funds. Advances are made to the Unemployment Trust Fund to cover underfunded extended benefits and regular State benefits and are repayable to the general fund without interest. Advances made to finance Federal employees benefits and the FUBA account are not repayable because these programs are financed from the general fund. This account also provides advances to the Black Lung Disability trust fund that are repayable with interest.

The Administration projects that $3.8 billion and $4.5 billion in advances from the General Fund to the Unemployment Trust Fund will be required in fiscal years 1982 and 1983, respectively, to finance additional State borrowing. This would increase the trust fund debt to the general fund from $13.1 billion at the end of fiscal year 1981 to $20.9 billion by the end of fiscal year 1983. About $14 billion of this debt will be owed by insolvent State UC programs and about $7 billion will be owed by the extended benefits program account for past advances to finance underfunded outlays incurred in response to the 1974–1975 recession.

GRANTS TO THE STATES FOR ADMINISTRATION OF THE UNEMPLOYMENT INSURANCE SERVICE AND THE EMPLOYMENT SERVICE ACCOUNT

FINANCING

Funding for the Employment Security system (the Unemployment Insurance Service and the Employment Service) is derived from a basic 0.7 percent Federal Unemployment Tax paid by employers on the first $6,000 paid annually to each employee. An amount equal to 0.45 percentage points from the 0.7 percent tax is allocated to the Employment Security Administration Account (ESAA) of the unemployment trust fund. Up to 95 percent of this amount may be appropriated each year to finance State administrative costs and the remainder is available for Federal administrative costs.

ADMINISTRATION

The U.S. Department of Labor allocates funds for State administration.

PROGRAM DATA

[In millions, fiscal years]

	1970	1975	1980	1981	1982	1983
Outlays	(1)	(1)	(1)	(1)	(1)	(1)
Obligations	$662	$1,156	$1,874	$2,102	[2] $2,148	[2] $2,350

[1] Outlays and budget authority are under the jurisdiction of the appropriations committees.

[2] Includes supplemental appropriations requests of $210 and $283 million in fiscal years 1982 and 1983, respectively.

4. TRADE ADJUSTMENT ASSISTANCE

TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

LEGISLATIVE OBJECTIVE

Congress originally authorized trade adjustment assistance (TAA) for workers under the Trade Expansion Act of 1962 (Public Law 87-794). The objective was to aid workers harmed by import competition resulting from Federal policies to encourage foreign trade for the benefit of the entire country. The premise of the program was that workers should not bear the costs of these Federal policies without some Federal aid.

There also is a trade adjustment assistance program for firms, briefly described at the end of this entry.

CERTIFICATION AND ELIGIBILITY REQUIREMENTS

Originally TAA for workers was available only if it could be demonstrated to the U.S. Tariff Commission (now the U.S. International Trade Commission) that increased imports resulting from trade concessions were the major factor causing or threatening to cause unemployment or underemployment.

Congress amended the program in the Trade Act of 1974 (Public Law 93-618). This act shifted the authority to certify workers to the Secretary of Labor, broke the necessary connection between trade concessions and increased imports, and required only that increased imports must have "contributed importantly" to the workers' unemployment or underemployment. Further amendments were made in the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35). These amendments strengthen the causal link between increased imports and worker layoffs and sales/production declines of the firm from "contributed importantly" to "a substantial cause"; require workers to have been eligible for and exhausted all State unemployment insurance (UI) before TAA benefits can be received, and change the level of TAA benefit payments from a national standard to the level of applicable State UI payments. H.R. 4717, as amended by the Senate, would maintain the "contribute importantly" causation standard until the program terminates at the end of fiscal year 1983.

Certification

To *certify a group of workers* eligible to apply for adjustment assistance, the Secretary must determine that three conditions are met:

1. A significant number or proportion of the workers in the firm or subdivision of the firm have been or are threatened to be totally or partially laid off;

2. Sales and/or production of the firm or subdivision have decreased absolutely; and
3. Increased imports of articles like or directly competitive with articles produced by the firm or subdivision must be "a substantial cause" of both the layoffs and the decline in sales and/or production.

An *individual worker* covered by a certification must file an *application* with his State employment security office for a trade readjustment allowance for any week of unemployment which begins after the certification "impact date" (i.e., the date on which total or partial layoffs began or threatened to begin). In order to qualify for such allowances, the individual worker must meet the following eligibility requirements:

1. His last total or partial layoff must have occurred not more than 1 year prior to the date of the petition, on or after the "impact date" (i.e. the date on which total or partial layoffs began or threatened to begin), and within 2 years after the date the Secretary of Labor issued the certification covering the worker, and before the termination date (if any) of the certification;
2. He was employed at least 26 of the 52 weeks immediately preceding the last layoff in adversely affected employment with a single firm or subdivision thereof at wages of $30 per week or more;
3. He was eligible for and has exhausted all rights to unemployment insurance (UI), including extended benefits (EB) to which he is entitled and does not have an unexpired waiting period applicable to him for any such UI; and
4. He would not be disqualified for EB by reason of a failure to accept suitable work.

From April 1975 through Dec. 31, 1981, a total of 1,320,936 workers had been certified for TAA. Table 1 shows their distribution by industry.

TABLE 1.—NUMBER OF PETITIONS INSTITUTED AND CERTIFIED AND ESTIMATED NUMBER OF WORKERS PETITIONING AND CERTIFIED FOR TRADE ADJUSTMENT ASSISTANCE, TOTAL AND BY INDUSTRY FROM APR. 1975 THROUGH DEC. 31, 1981

Year	Cases instituted		Cases certified		
	Petitions	Estimated workers	Petitions	Percent	Estimated workers
1975	528	210,948	122	50	55,113
1976	1,014	218,505	430	50	143,549
1977	1,289	228,691	411	42	144,085
1978	1,732	171,291	853	42	164,779
1979	2,119	318,105	844	41	219,465
1980	5,348	1,000,672	934	29	565,652
1981	1,133	175,962	258	10	28,293
Total	13,163	2,324,174	3,852		1,320,936

	Thousands
Total estimated number of workers certified	1,321
Industry:	
Automobiles	691
Apparel	143
Steel	132
Footwear	74
Electronics	58
Fabricated metal products	31
Textiles	25

Note: Since the new program went into effect on Oct. 1, 1981, an estimated 5,233 workers have been certified compared to 25,659 worker certifications during the comparable period of 1980.

BENEFITS

The program provides four types of benefit allowances and services to eligible workers.

1. Trade readjustment allowances: Prior to the changes made by the Omnibus Reconciliation Act of 1981 TRA benefits were set at 70 percent of the worker's former gross weekly wage not to exceed the current average weekly manufacturing wage (now $289.00 per week), reduced by the amount of his unemployment compensation entitlement and 50 percent of any part-time earnings, for a period of generally no more than 52 weeks of unemployment. Workers age 60 or over or workers exhausting benefits while still in approved training programs could receive benefits up to an additional 26 weeks. Under current law, however—

The TRA weekly benefit amount is the same as, and a continuation of, the claimant's UI weekly benefit amount during his most recent UI benefit period, reduced by any training allowance and disqualifying income deductible under UI law. This change has shifted the TRA benefit level from a uniform national standard to a State standard.

The total amount of basic TRA benefits payable to a worker is reduced to a maximum of 52 times the TRA allowance level for a week of total unemployment minus the total amount of UI regular and extended benefits payable in the worker's most recent benefit period (e.g., a worker receiving 39 weeks of UI regular and extended benefits could receive a maximum 13 weeks of TRA benefits). UI and TRA payments combined are limited to a maximum 52 weeks in all cases involving extended benefits. TRA basic benefits may be collected only during the 52-week period following the week in which the worker has exhausted all his rights to regular unemployment compensation in his most recent benefit period. The purpose of the shortened collection period is to reduce payment of TRA benefits during periods of non-trade-related unemployment.

Workers may receive up to 26 additional weeks of TRA benefits to assist in completing approved training, if the worker applies for the training program within 210 days (compared to 180 days previously) after certification or layoff, whichever date is later. The additional benefits may be collected only during the 26-week period (compared to 52-week period under the previous program) following the worker's last week of entitlement to basic TRA benefits. Workers age 60 and over are no longer eligible for additional weeks of TRA benefits.

TABLE 2.—TOTAL OUTLAYS FOR TRADE READJUSTMENT ALLOWANCES, NUMBER OF RECIPIENTS, AVERAGE WEEKLY PAYMENTS AND DURATION, FISCAL YEARS 1976 THROUGH 1982

Fiscal year	Total outlays (millions)	Total number of recipients (thousands)	Average weekly payment per recipient	Average week's duration
1976 [1]	79	62	$46	27.3
1977	148	111	57	23.4
1978	257	156	68	24.3
1979	256	132	71	27.4
1980	1,622	532	127	24.1
1981	1,493	281	146	36.0
1982: Projected	144	74	160	12.1

[1] Fiscal year 1976 is the first full year of experience under the program as amended by the Trade Act of 1974.

Source: Department of Labor.

2. Employment services (counseling, testing, placement) through State agencies whenever appropriate, and *training* may be provided under other laws, preferably on-the-job training, if no suitable employment is available but would be after training; supplemental assistance is available to defray reasonable transportation and subsistence expenses is available in the amount of the lesser of actual per diem expenses or 50 percent of prevailing Federal per diem and the prevailing mileage rates, for travel expenses.

3. Job search allowances for 90 percent of necessary expenses up to a maximum of $600.

4. Relocation allowances if new employment is beyond the worker's commuting area for 90 percent of reasonable and necessary expenses plus a lump sum equal to the lower of 3 times the worker's average weekly wage or $600.

Table 3 presents data on workers given such noncash benefits.

TABLE 3.—TRAINING, JOB SEARCH, AND RELOCATION ALLOWANCES: TOTAL NUMBER OF WORKERS AND OUTLAYS, FISCAL YEARS 1976 THROUGH 1981

Fiscal year	Total number of workers			Total outlays (million) [1]		
	Entered training	Job search	Relocation	Training	Job search	Relocation
1976	823	23	26	(2)	(2)	(2)
1977	4,213	277	191	(3)	(3)	(3)
1978	8,337	1,072	631	$15.5	0.1	$0.6
1979	4,458	1,181	855	11.5	.3	1.1
1980	[4]9,475	931	629	11.9	.1	.6
1981	[4]20,362	1,397	1,806	4.9	.2	1.8
Total	48,131	4,139	4,182			

[1] Excludes administrative costs.

[2] Total $5.6.

[3] Total $6.5.

[4] Of total workers entering training, 5,640 (59 percent) in 1980 and 18,940 (94 percent) in 1981 self-financed their training costs.

FUNDING

Federal funds, through annual appropriations from Treasury general revenues, cover only the portion of the worker's total entitlement represented by the continuation of UI benefits levels in the form of TRA payments, plus the salaries and expenses for ETA personnel administering the program. Funds made available under grants to States defray expenses of any employment services. A portion of the discretionary funds available to the Secretary of Labor under the CETA program are allocated annually for training and for job search and relocation allowances.

The States are reimbursed from Treasury general revenues for benefit payments and other costs incurred under the program. A penalty under section 239 of the Trade Act of 1974 provides for reduction by 15 percent of the credits for State unemployment taxes which employers are allowed against their liability for Federal unemployment tax if a State has not entered into or fulfilled its commitments under a cooperating agreement.

The continuing resolution for fiscal year 1982 includes $238 million for trade readjustment allowances and $25 of the $98.6 million requested by the President for training and job search and relocation allowances. The President's proposed budget includes budget authority of $144 million and outlays of $118 million in fiscal year 1982, and $10 million in budget authority and outlays in fiscal year 1983, based on a legislative proposal to eliminate all TRA payments effective July 1, 1982, except for workers already enrolled in approved training. Funds for training and job search and relocation allowances are included in a proposed $180 million special program for various targeted groups.

TRADE ADJUSTMENT ASSISTANCE PROGRAM FOR FIRMS

Section 251 through 264 of the Trade Act of 1974 contain the procedures, eligibility requirements, benefits and their terms and conditions, and administrative provisions of the adjustment assistance program for firms adversely impacted by increased import competition, established under the Trade Expansion Act of 1962. Firms must complete a two-step procedure to receive adjustment assistance: (1) certification by the Secretary of Commerce that the petitioning firm is eligible to apply, and (2) approval by the Secretary of Commerce of the application by a certified firm for benefits, including the firm's proposal for economic adjustment. Minor modifications were made to the program in the Omnibus Reconciliation Act of 1981. Administration of the program was shifted in 1981 within the Department of Commerce from the Economic Development Administration to the International Trade Administration.

CERTIFICATION AND ELIGIBILITY REQUIREMENTS

To *certify a firm* as eligible to apply for adjustment assistance, the Secretary must determine that three conditions are met:

(1) A significant number or proportion of the workers in the firm have been or are threatened to be totally or partially laid off;

(2) Sales and/or production of the firm have decreased absolutely; and

(3) Increased imports of articles like or directly competitive with articles produced by the firm have "contributed importantly" to both the layoffs and the decline in sales and/or production.

A *certified firm* may file an *application* with the Secretary of Commerce for trade adjustment assistance benefits at any time within two years after the date of the certification of eligibility. The application must include a proposal by the firm for its economic adjustment. The Secretary may furnish technical assistance to the firm in the preparation of a viable proposal. The firm's application must meet the following requirements for approval of technical and/or financial assistance:

(1) The firm has no reasonable access to financing through the private capital market.

(2) The adjustment proposal demonstrates that the assistance sought (a) is reasonably calculated to make a material contribution to the economic adjustment of the firm in establishing a competitive position in the same or a different industry; (b) gives adequate consideration to the interests of the workers in the firm; and (c) demonstrates the firm will make all reasonable efforts to use its own resources for economic development.

In addition, the Secretary must determine that a firm seeking financial assistance (1) does not have the required funds available from its own resources; and (2) there is reasonable assurance that the loan will be repaid.

BENEFITS

Technical assistance and financial assistance may be furnished singly or in combination to certified firms with approved applications.

1. Technical assistance may be given to implement the firm's economic adjustment proposal in addition to, or in lieu of, such assistance provided to develop the proposal. It may be furnished through existing Government agencies or through private individuals, firms, and institutions, including private consulting services. The Federal share of the cost cannot exceed 75 percent of the funds required. The Secretary may, however, make grants to intermediary organizations to defray up to 100 percent of administrative expenses incurred in providing technical assistance to a firm.

2. Financial assistance may be direct loans and/or loan guarantees for (1) acquiring, constructing, installing, modernizing, developing, converting, or expanding land, plant, buildings, equipment, facilities, or machinery; or (2) supplying such working capital as may be necessary to enable the firm to implement its adjustment proposal.

> (a) Direct loans to any firm cannot exceed an aggregate amount of $1 million outstanding at any time. The interest rate is determined by the Secretary of the Treasury plus an amount adequate to cover administrative costs and probable losses under the program.
>
> (b) Loan guarantees to any firm cannot exceed an aggregate amount of $3 million outstanding at any time. No loan can be guaranteed for more than 90 percent of the balance of the loan outstanding.

TABLE 4.—NUMBER OF FIRMS RECEIVING LOANS AND THE TOTAL AMOUNT OF DIRECT LOANS AND LOAN GUARANTEES AUTHORIZED FOR THE PERIOD FROM APRIL 1975 TO DEC. 31, 1981

[Dollars in thousands]

Number of firms certified	1,321
Number certified by industry: [1]	
Apparel	442
Footwear	133
Handbags	53
Textiles	50
Technical assistance: Number of firms receiving assistance	[2] 2,487
Total assistance authorized	$71,446
Individual firms	45,659
Industry-wide	25,787
Financial assistance: Number of firms receiving loans	300
Total loans authorized	$327,798
Direct loans	189,676
Loan guarantees	138,122

[1] Includes calendar years 1977–81 only.

[2] Double counting is unavoidable since most firms receive more than 1 category of technical assistance.

FUNDING

Funds to cover all costs are subject to annual appropriations from Treasury general revenues. The continuing resolution for fiscal year 1982 includes $13 million for technical assistance, $12.5 million of direct loans, $28.5 million for loan guarantees, and $2 million for salaries and expenses. No funds are included for this program in the President's proposed budget for fiscal year 1983.

5. REVENUE SHARING

LEGISLATIVE OBJECTIVE

The State and Local Fiscal Assistance Act of 1972 (P.L. 92-512) established a trust fund to provide general revenue sharing payments to State and local governments. Payments were intended to supplement existing Federal aid and to stimulate the economy by returning an anticipated Federal surplus to the States. The original act authorized payments through December 1976. Amendments of 1976 (P.L. 96-488) extended the program through fiscal year 1980 at an annual level of $6.9 billion. Amendments of 1980 (P.L. 96-604) extended the program through fiscal year 1983, but eliminated State governments from general revenue sharing payments during fiscal year 1981.

ELIGIBILITY

Under the program prior to October 1, 1980, one-third of funds went to States and two-thirds to local governmental units. During fiscal year 1981, State governments were ineligible. In fiscal year 1982 and fiscal year 1983, payments to State governments are reauthorized, but require congressional appropriation. Further, to be eligible at that time, a State must decline an equal amount, or refund an equal amount, in categorical grant funds from the Federal Government.

BENEFITS

The 1980 amendments provide for the distribution of approximately $13.8 billion to units of local government over a 3-year period starting October 1980. Amounts to be distributed to each unit of government are determined by applying a set of formulas to descriptive data pertaining to each unit. The formula and data are used to determine each government's share of the total amount.

6. EARNED INCOME TAX CREDIT

This fund is used to pay an income tax filer whose earned income credit exceeds his tax liability owed.

LEGISLATIVE OBJECTIVE

The Earned Income Tax Credit (EITC), which was added to the Internal Revenue Code in 1975, is intended to give a cash income supplement to working parents with relatively low earnings. For tax filers too poor to owe income taxes, or whose tax liability is smaller than their credit, the U.S. Treasury makes a direct payment of the credit.

ELIGIBILITY

The credit is available to a parent (or parents) with earnings whose adjusted gross income is not above $10,000 annually and who maintains a household[1] for (a) a child who is either under 19 or a student; or (b) a son or daughter who is an adult but disabled and who can be claimed as his tax dependent.

To receive the credit, a person need *not* owe or pay any income tax. However, he must apply for the credit, either by filing an income tax return at the end of the tax year or by filing an earned income eligibility certificate with his employer for advance payments of the credit. To be eligible for EITC, married couples must file a joint income tax return.

BENEFITS

The EITC equals 10 percent of the first $5,000 of earnings, including net earnings from self-employment, but may not exceed $500 per family. The size of the credit is unrelated to the number of a worker's dependents. Between earnings of $5,000 and $6,000, the maximum credit of $500 is received. For each dollar of adjusted gross income (or, if higher, earned income) above $6,000 the credit is reduced by 12.5 cents. As a result, it ends when adjusted gross income reaches $10,000.

DATA

In fiscal year 1981 earned income tax credits totaled $1.976 billion, of which $1.326 billion represented Treasury payments to tax filers whose credit exceeded their current year tax liability and $.650 billion, credits deducted from tax liability. Some 6.9 million families received the credit, which averaged $286 per family.

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[1] IRS has ruled that those who use AFDC funds to pay part of the cost of maintaining a home for a child may *not* count these welfare benefits as their own contribution. Thus, an AFDC parent is ineligible for the credit unless her earnings at least equal the AFDC grant.

TABLE 1.—GENERAL REVENUE SHARING ENTITLEMENTS BY STATE, FISCAL YEARS 1976 AND 1981 ACTUAL, FISCAL YEAR 1982 ESTIMATED AND ESTIMATED TOTAL PAYMENTS THROUGH FISCAL YEAR 1982

	Fiscal year 1976	Fiscal year 1981 [1]	Fiscal year 1982 estimated [2]	Estimated total payments through fiscal year 1982
Totals	$6,411,739,534	$4,574,037,853	$4,566,840,364	$64,800,226,946
Alabama	101,779,197	74,155,623	73,895,231	1,056,619,052
Alaska	9,707,054	13,150,421	20,777,928	150,145,476
Arizona	65,702,825	62,005,026	64,854,833	707,679,368
Arkansas	66,106,191	44,315,556	48,184,041	659,591,509
California	660,415,465	495,167,420	519,887,710	7,075,889,867
Colorado	69,399,064	53,199,591	51,997,450	708,374,739
Connecticut	85,531,981	56,441,629	54,336,875	819,266,184
Delaware	19,200,809	14,090,317	13,741,448	197,919,576
District of Columbia	26,658,045	18,884,937	18,657,312	275,602,821
Florida	197,989,668	160,126,006	168,866,777	1,981,902,944
Georgia	132,731,848	108,097,224	114,209,191	1,404,107,544
Hawaii	27,933,830	21,406,221	22,269,315	300,729,355
Idaho	24,681,225	18,928,279	18,175,083	250,909,540
Illinois	380,178,547	224,034,544	220,245,583	3,264,901,629
Indiana	128,444,988	87,662,782	82,331,567	1,326,472,458
Iowa	83,203,708	56,240,345	54,560,092	835,734,703
Kansas	58,013,719	40,704,891	36,405,030	586,818,774
Kentucky	103,471,199	76,787,494	73,771,011	1,060,532,372
Louisiana	136,340,266	94,673,921	96,520,659	1,417,815,957
Maine	40,434,980	27,876,307	28,090,686	399,327,447

Maryland	126,372,032	88,822,447	86,456,718	1,278,668,515
Massachusetts	206,726,465	144,279,881	138,566,966	2,053,458,038
Michigan	267,649,131	191,601,954	179,460,103	2,714,156,322
Minnesota	132,793,442	92,086,436	85,369,550	1,293,546,061
Mississippi	95,219,845	62,116,250	62,472,299	974,675,133
Missouri	122,431,583	82,897,612	80,668,117	1,206,141,137
Montana	23,822,569	17,302,033	17,123,031	247,141,194
Nebraska	42,176,590	31,990,690	29,678,264	435,082,891
Nevada	14,994,545	13,801,661	13,410,952	157,308,274
New Hampshire	20,394,746	15,262,179	14,347,618	211,782,226
New Jersey	198,938,290	149,954,545	146,996,056	2,067,500,652
New Mexico	39,892,655	30,099,596	31,146,887	413,530,213
New York	720,232,528	476,198,036	474,751,824	7,176,376,181
North Carolina	156,031,718	116,432,747	121,496,436	1,628,892,458
North Dakota	20,315,999	12,318,301	12,431,066	200,291,982
Ohio	259,672,429	181,755,228	178,023,300	2,602,542,538
Oklahoma	69,615,085	54,229,168	55,681,022	726,741,775
Oregon	66,606,971	53,811,311	52,119,242	693,592,247
Pennsylvania	337,964,041	229,293,732	221,677,374	3,313,795,664
Rhode Island	27,455,138	20,516,509	19,394,129	283,303,887

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TABLE 1.—GENERAL REVENUE SHARING ENTITLEMENTS BY STATE, FISCAL YEARS 1976 AND 1981 ACTUAL, FISCAL YEAR 1982 ESTIMATED AND ESTIMATED TOTAL PAYMENTS THROUGH FISCAL YEAR 1982—Continued

	Fiscal year 1976	Fiscal year 1981 [1]	Fiscal year 1982 estimated [2]	Estimated total payments through fiscal year 1982
South Carolina	88,713,199	66,044,965	69,135,471	892,427,909
South Dakota	25,394,087	15,552,779	14,650,556	240,292,798
Tennessee	117,910,766	86,819,268	84,495,858	1,212,940,853
Texas	306,583,152	225,671,195	237,985,739	3,157,244,917
Utah	37,467,306	32,584,658	34,443,227	393,737,716
Vermont	18,669,456	13,568,288	12,694,590	188,844,339
Virginia	128,559,145	95,545,383	95,073,655	1,331,739,294
Washington	93,880,184	69,786,354	68,695,245	938,620,407
West Virginia	57,259,603	42,970,294	42,466,444	610,150,068
Wisconsin	159,994,878	102,408,113	93,986,831	1,554,529,506
Wyoming	10,077,347	10,367,706	10,163,952	120,830,436

[1] States were not eligible to receive general revenue sharing funds in fiscal year 1981. These data represent payments to local governments only.

[2] State governments are eligible to receive funds in fiscal year 1982 subject to Congressional appropriation action and a giveback or giveup of other categorical grant funds. No funds have been requested at this time. These data represent payments to local governments only.

Source: U.S. Department of the Treasury. Office of Revenue Sharing, Entitlement summaries, various years.

TABLE 2.—GENERAL REVENUE SHARING RECIPIENTS PAID THROUGH 3D QUARTER EP–12

Name	State	Counties	Municipalities	Townships	Indian tribes and Alaskan Native villages	Total
Alabama	$302,771,607	$240,381,056	$421,040,332			$964,192,995
Alaska	39,134,021	19,868,773	65,305,133		$1,647,654	125,955,581
Arizona	194,645,622	182,829,377	227,562,122		22,912,640	627,949,761
Arkansas	193,875,343	222,022,445	184,640,374			600,538,162
California	2,020,344,987	2,498,352,558	1,911,934,651		1,666,596	6,432,298,792
Colorado	201,035,363	156,515,778	285,136,317		393,366	643,080,824
Connecticut	235,863,910		256,756,455	$257,616,537	11,096	750,247,998
Delaware	59,725,242	74,801,573	46,084,016			180,610,831
District of Columbia	252,135,693					252,135,693
Florida	554,522,692	604,569,664	616,451,065		227,065	1,775,770,486
Georgia	395,223,000	507,434,804	361,047,113			1,263,704,917
Hawaii	85,715,309	48,917,025	138,499,174			273,131,508
Idaho	71,336,086	88,612,424	67,212,785		840,354	228,001,649
Illinois	939,580,305	437,093,509	1,335,344,487	275,848,620		2,987,866,921
Indiana	385,259,997	297,326,600	435,992,800	103,310,293		1,221,889,690
Iowa	241,101,767	299,418,194	226,065,958		115,667	766,701,586
Kansas	169,497,066	178,950,070	171,866,720	19,388,751	117,844	539,820,451
Kentucky	324,484,067	305,427,776	337,714,030			967,625,873
Louisiana	394,483,319	340,224,506	534,181,057		67,032	1,297,502,240
Louisiana sheriffs		28,546,326				

TABLE 2.—GENERAL REVENUE SHARING RECIPIENTS PAID THROUGH 3D QUARTER EP-12—Continued

Name	State	Counties	Municipalities	Townships	Indian tribes and Alaskan Native villages	Total
Maine	114,395,367	18,867,356	101,739,098	128,596,021	369,113	363,966,955
Maryland	367,500,219	492,520,914	309,785,124			1,169,806,257
Massachusetts	589,435,954	73,219,415	703,140,012	512,636,897		1,878,432,278
Michigan	779,885,191	517,889,915	1,023,126,996	165,027,014	287,775	2,486,216,891
Minnesota	371,418,368	437,074,647	326,070,579	47,612,264	2,641,048	1,184,816,906
Mississippi	289,037,957	395,308,988	212,009,800		442,964	896,799,709
Missouri	347,270,483	251,308,578	490,620,969	15,203,019		1,104,403,049
Montana	70,727,316	99,446,916	49,453,612		5,838,006	225,465,850
Nebraska	124,129,057	135,344,666	128,752,351	8,252,002	608,335	397,086,411
Nevada	43,797,145	61,451,312	34,812,848		724,532	140,785,837
New Hampshire	60,731,385	18,251,251	59,210,256	55,427,559		193,620,451
New Jersey	589,423,698	448,456,479	556,504,779	288,134,993		1,882,519,949
New Mexico	119,648,467	109,512,788	127,483,345		18,145,062	374,789,662
New York	2,072,715,463	949,604,225	3,083,054,919	474,040,506	1,368,365	6,580,783,478
North Carolina	464,015,004	570,627,457	442,818,230		1,285,464	1,478,746,155
North Dakota	58,394,422	66,508,048	42,482,749	14,602,590	2,647,796	184,635,605
Ohio	746,466,602	521,306,869	950,852,052	159,751,301		2,378,376,824
Oklahoma	205,885,803	142,216,565	305,219,027		4,365,071	657,686,466
Oregon	195,772,548	162,688,743	268,716,039		765,538	627,942,868
Pennsylvania	952,800,422	584,722,414	1,121,369,723	373,855,015	2,800	3,032,750,374

TABLE 2.—GENERAL REVENUE SHARING RECIPIENTS PAID THROUGH 3D QUARTER EP–12—Continued

Name	State	Counties	Municipalities	Townships	Indian tribes and Alaskan Native villages	Total
Rhode Island	81,193,933		123,229,565	54,398,670		258,822,168
South Carolina	255,186,918	298,712,570	253,207,256			807,105,744
South Dakota	69,793,660	81,646,620	52,649,314	10,499,377	7,047,386	221,636,357
Tennessee	346,783,798	320,100,966	440,132,952			1,107,017,716
Texas	900,497,712	731,760,783	1,231,759,160		189,816	2,864,207,471
Utah	109,110,038	116,623,381	123,519,160		2,168,421	351,421,000
Vermont	54,275,397	1,604,870	39,248,536	77,677,519		172,806,322
Virginia	374,683,579	339,660,519	498,290,317		16,213	1,212,650,628
Washington	267,152,666	260,963,278	321,878,217	3,401	2,739,561	852,737,123
West Virginia	207,557,819	166,642,813	182,791,220			556,991,852
Wisconsin	451,398,175	439,603,494	460,272,126	81,023,262	1,751,051	1,434,048,108
Wyoming	33,433,011	51,262,973	22,428,199		978,325	108,102,508
National Total	18,775,251,973	15,396,202,271	21,709,463,119	3,122,905,611	82,381,956	59,086,204,930

7. PENSION BENEFIT GUARANTY CORPORATION (PBGC)

LEGISLATIVE OBJECTIVE

The Pension Benefit Guaranty Corporation (PBGC) was established under title IV of the Employee Retirement Income Security Act of 1974 (ERISA) (88 Stat. 829) to protect the retirement income of plan participants and their beneficiaries covered under private sector, defined benefit pension plans. ERISA requires PBGC to:

Encourage the continuation and maintenance of voluntary private pension plans for the benefit of their participants;

Provide for the timely and uninterrupted payment of pension benefits under plans covered by title IV; and

Maintain insurance premiums at the lowest level consistent with carrying out the Corporation's obligations under title IV.

ELIGIBILITY CRITERIA

Individuals protected by the pension plan termination insurance program are participants and beneficiaries of defined benefit pension plans that either affect interstate commerce or are qualified under the Internal Revenue Code. Only vested benefits are insured. Pension plans specifically excluded are government and church plans, individual account plans (i.e., defined contribution plans such as profit-sharing, money purchase, thrift and savings, and stock bonus plans), and plans of fraternal societies financed entirely by member contributions.

BENEFITS

Pension benefits for vested employees under defined benefit plans are guaranteed by the Pension Benefit Guaranty Corporation. The limitation on insured benefits under single employer plans is the lesser of 100 percent of the employee's wages or $1,381 a month. The dollar amount is adjusted annually to reflect changes in the Social Security contribution and benefit base.

Different benefit guaranty levels exist for participants in multiemployer pension plans. As a result of the Multiemployer Pension Plan Amendments Act of 1980, only the first $5 of the monthly benefit accrual rate is 100 percent guaranteed for each year of a participant's service and 75 percent of the next $15 of basic monthly benefits is guaranteed. (The 75 percent guarantee is reduced to 65 percent for plans that do not meet specified funding requirements.)

FINANCING

The financial structure of PBGC's programs includes both revolving and trust funds, borrowing authority, and other sources of income. The Multiemployer Pension Plan Amendments Act of 1980 established six revolving funds for use of PBGC in carrying out its responsibilities under title IV of the act.

Revolving funds

(1) One fund is used in connection with the basic benefits insurance program related to single employer plans.

(2) A second fund is used in connection with the basic benefits insurance program related to multiemployer pension plans.

(3) A third fund is used in connection with the supplemental guaranteed benefits program related to multiemployer pension plans.

(4) A fourth fund is used in connection with the reimbursement of uncollectible withdrawal liability program for multiemployer plans.

(5) A fifth fund is to be used in connection with nonbasic benefits insurance program related to multiemployer pensions plans.

(6) A sixth fund is to be used in connection with nonbasic benefits insurance program related to single employer pension plans.

Trust funds

(1) *Plan Assets.* The assets of plans for which PBGC has become trustee are the primary source of funding for the trust fund.

(2) *Employer Liability.* An employer sponsoring a covered pension plan that terminates with insufficient assets to pay benefits is liable for up to 30 percent of the employer's net worth in the case of single employer plans, and in the case of the multiemployer plans, an amount equal to an employer's share of the plan's total unfunded vested liability determined under the basic rule or one of the alternative rules which the plan may adopt.

(3) *Investment Income.* Assets of plans and employer liability collections are invested in a diversified portfolio of private and public sector securities so as to realize the highest possible rate of return consistent with an appropriate level of risk for the type of program administered.

Sources of income

(1) *Insurance Premiums.* The principal revenue is required premiums paid by ongoing covered plans. The Corporation is required to prescribe insurance premium rates and coverage schedules to provide sufficient revenues to carry out its title IV functions, including the payment of guaranteed benefits and administrative expenses. Premiums for each participant in a single employer plan are set at $2.60. Multiemployer plans are assessed a per capita premium rate beginning with $1.00, increasing to $1.40 for the first four plan years beginning after September 26, 1980, $1.80 for the fifth and sixth plan years; $2.20 for the seventh and eighth plan years, and $2.60 for the ninth and succeeding plan years.

(2) *Investment Income.* Whenever the Corporation determines that its revolving fund balances are in excess of current needs, it may request the investment of such amounts by the Secretary of the Treasury in obligations issued or guaranteed by the United States.

Borrowing authority

In addition to the premium and investment incomes which are generated for the revolving funds, the Corporation is authorized to borrow up to $100 million from the United States Treasury to carry out its responsibilities.

ADMINISTRATION

The Pension Benefit Guaranty Corporation is a U.S. Government Agency governed by a Board of Directors consisting of the Secretary of Labor, who is Chairman, the Secretary of Commerce, and the Secretary of the Treasury. The Corporation is a self-financing, wholly-owned Government corporation. To assist the Corporation in discharging its responsibilities, the Act provides for a 7-member Advisory Committee, appointed by the President, for staggered 3-year terms. The committee is to advise the Corporation as to its policies and procedures relating to the appointment of trustees in termination proceedings, investment of moneys, plan liquidations, and other matters as requested by the Corporation.

DATA

Termination insurance program covers 33 million participants and beneficiaries in defined benefit pension plans.

1. BUDGET AUTHORITY AND OUTLAYS

[In millions of dollars, fiscal years] [1]

	1970	1975	1981	1982
Federal outlays	([2])	−34	−38	−63.2
Budget authority	([2])	0	0	0

[1] Receipts greater than outlays produce a negative outlay.

[2] Not in existence.

2. PBGC TRUSTEESHIP

Recipients	1980	1979	1978	1977	1976 (15 mo)	1975 (10 mo)
Plan in PBGC trusteeship	514	389	266	145	48	3
Participants with guaranteed benefits in trusteed plans	48,500	42,676	27,000	16,000	6,435	386
Potential plan trusteeships pending	211	259	260	281	([1])	([1])

[1] Data unavailable for this period.

8. MEDICAID

SUMMARY

Medicaid is a federally aided, State-designed and administered program authorized by Title XIX of the Social Security Act, which provides medical assistance for certain categories of low-income persons who are aged, blind, disabled or members of families with dependent children. Subject to Federal guidelines, States determine eligibility and the scope of benefits to be provided.

LEGISLATIVE OBJECTIVE

Section 1901 of the Social Security Act specifies that the purpose of the program is to enable each State, as far as practicable under the conditions in such State, to furnish: (1) medical assistance on behalf of families with dependent children and of aged, blind, or disabled individuals, whose income and resources are insufficient to meet the cost of necessary medical services, and (2) rehabilitation and other services to help such families and individuals attain or retain capability for independence or self-care. Table 1 shows budgetary data and the number of persons with medicaid coverage. Tables 2 and 3 present State-by-State estimates for Federal program outlays.

TABLE 1. MEDICAID OVERVIEW

[In millions of dollars, fiscal years]

	Actual—		Current law estimates—		
	1975	1980	1981	1982	1983
Federal outlays	6,840	13,957	16,833	18,101	19,917

[In thousands]

	Fiscal year—				
	1975	1980	1981	1982	1983
Recipients: Total	22.5	21.7	22.5	22.8	22.1
Aged	4.2	3.4	3.4	3.5	3.6
Blind	.1	0.1	0.1	0.1	0.1
Disabled	2.4	2.8	2.8	2.9	3.0
Adults in AFDC Families	5.1	5.0	4.9	5.0	4.8
Children under 21	10.7	10.4	11.2	11.3	10.6

TABLE 2.—MEDICAL ASSISTANCE: FEDERAL SHARE OF MEDICAL VENDOR PAYMENTS, AND STATE AND LOCAL ADMINISTRATION, BY STATE; FISCAL YEAR 1981–83

[Based on November 1981 States estimates for fiscal year 1981–83; in thousands of dollars]

States and territories	Fiscal year (estimate)		
	1981	1982	1983
Alabama	226,212,000	259,800,000	281,656,000
Alaska	24,275,000	27,915,000	31,843,000
Arizona	0	0	0
Arkansas	214,344,000	230,050,000	258,195,000
California	1,953,228,000	2,220,744,000	3,326,017,000
Colorado	123,596,000	137,640,000	154,335,000
Connecticut	200,725,000	229,022,000	252,021,000
Delaware	29,684,000	32,104,000	35,310,000
District of Columbia	86,593,000	102,326,000	118,365,000
Florida	315,891,000	348,479,000	405,206,000
Georgia	381,887,000	413,954,000	465,211,000
Hawaii	60,263,000	70,273,000	80,974,000
Idaho	42,944,000	47,260,000	50,540,000
Illinois	760,819,000	830,158,000	839,850,000
Indiana	264,588,000	342,882,000	360,622,000
Iowa	160,904,000	166,832,000	183,668,000
Kansas	123,998,000	128,099,000	137,527,000
Kentucky	266,001,000	295,177,000	323,674,000
Louisiana	333,988,000	406,722,000	467,621,000
Maine	121,657,000	142,033,000	156,330,000
Maryland	253,959,000	273,497,000	313,301,000
Massachusetts	635,040,000	684,561,000	732,906,000
Michigan	705,923,000	805,416,000	853,031,000
Minnesota	394,472,000	457,926,000	505,634,000
Mississippi	206,965,000	234,695,000	268,383,000
Missouri	274,591,000	289,152,000	331,016,000
Montana	59,345,000	55,094,000	64,504,000
Nebraska	81,730,000	87,759,000	94,127,000
Nevada	34,179,000	42,062,000	53,042,000
New Hampshire	53,999,000	59,361,000	66,382,000

TABLE 2.—MEDICAL ASSISTANCE: FEDERAL SHARE OF MEDICAL VENDOR PAYMENTS, AND STATE AND LOCAL ADMINISTRATION, BY STATE; FISCAL YEAR 1981–83—Continued

[Based on November 1981 States estimates for fiscal year 1981–83; in thousands of dollars]

States and territories	Fiscal year (estimate)		
	1981	1982	1983
New Jersey	476,437,000	490,607,000	544,017,000
New Mexico	69,581,000	78,543,000	90,432,000
New York	2,890,948,000	3,316,140,000	3,670,699,000
North Carolina	348,642,000	406,826,000	461,293,000
North Dakota	40,423,000	49,636,000	56,203,000
Ohio	609,885,000	701,997,000	797,944,000
Oklahoma	246,443,000	228,052,000	272,929,000
Oregon	125,886,000	123,432,000	126,136,000
Pennsylvania	856,063,000	1,006,163,000	1,107,875,000
Rhode Island	115,736,000	114,087,000	123,721,000
South Carolina	215,970,000	219,023,000	244,151,000
South Dakota	51,153,000	53,021,000	55,159,000
Tennessee	316,302,000	389,720,000	462,193,000
Texas	761,470,000	706,470,000	880,136,000
Utah	73,831,000	78,841,000	90,896,000
Vermont	57,614,000	58,267,000	60,695,000
Virginia	274,759,000	294,930,000	303,925,000
Washington	223,868,000	220,404,000	241,048,000
West Virginia	92,390,000	105,303,000	117,466,000
Wisconsin	525,595,000	619,482,000	694,239,000
Wyoming	9,065,000	10,912,000	13,637,000
Guam	900,000	1,400,000	1,400,000
Northern Mariana Islands	96,000	176,000	181,000
Puerto Rico	30,000,000	45,000,000	45,000,000
Virgin Islands	1,000,000	1,500,000	1,500,000
Total	16,804,957,000	18,726,755,000	20,674,166,000

Note: HCFA has assumed that in most cases these reductions do not reflect Reconciliation Act reductions.

TABLE 3A.—ESTIMATE OF FEDERAL MEDICAID REIMBURSEMENT TO STATES IN FISCAL YEAR 1982 REFLECTING IMPACT OF OMNIBUS RECONCILIATION ACT OF 1981

[In thousands of dollars]

State	Fiscal year—			
	1981 obligations	1982 [1] estimated target level	Current 1982 State estimate (November 1981)	1982 [2] appropriation estimate (3 percent)
Alabama	220,829	246,177	259,800	252,006
Alaska	25,707	26,302	27,915	27,077
Arkansas	225,777	244,804	230,050	223,148
California	2,008,814	2,218,296	2,220,744	2,154,122
Colorado	127,191	131,910	137,640	133,511
Connecticut	206,089	212,146	229,022	[3] 224,441
Delaware	30,955	32,735	32,104	31,141
District of Columbia	85,030	103,535	102,326	99,256
Florida	317,440	350,455	348,479	338,024
Georgia	388,865	413,434	413,954	401,535
Hawaii	64,098	63,017	70,273	68,165
Idaho	39,730	45,062	47,260	45,842
Illinois	803,016	825,760	830,158	805,253
Indiana	282,327	283,036	342,882	332,595
Iowa	164,773	165,654	166,832	161,827
Kansas	126,783	133,582	128,099	124,256
Kentucky	260,850	290,138	295,117	286,264
Louisiana	314,102	368,961	406,722	394,521
Maine	113,663	123,478	142,033	137,772
Maryland	254,071	267,816	273,497	[3] 268,027
Massachusetts	622,333	685,876	684,561	[3] 670,870
Michigan	708,265	772,014	805,416	[4] 789,307
Minnesota	397,706	429,242	457,926	444,189
Mississippi	210,920	225,959	234,695	227,654
Missouri	260,496	286,947	289,152	280,478
Montana	47,336	50,007	55,094	53,441
Nebraska	82,164	89,633	87,759	85,126
Nevada	35,919	32,672	42,062	40,800
New Hampshire	52,600	61,335	59,361	57,580
New Jersey	439,458	507,279	490,607	[3] 480,795
New Mexico	70,552	72,935	78,543	76,187
New York	3,087,492	2,863,923	3,316,140	[3] 3,249,818
North Carolina	351,090	378,179	406,826	394,621
North Dakota	39,878	43,351	49,636	48,146
Ohio	633,856	690,889	701,997	680,938

TABLE 3A.—ESTIMATE OF FEDERAL MEDICAID REIMBURSEMENT TO STATES IN FISCAL YEAR 1982 REFLECTING IMPACT OF OMNIBUS RECONCILIATION ACT OF 1981—Continued

[In thousands of dollars]

State	Fiscal year—			
	1981 obligations	1982 [1] estimated target level	Current 1982 State estimate (November 1981)	1982 [2] appropriation estimate (3 percent)
Oklahoma	240,937	248,738	228,052	221,210
Oregon	126,427	134,647	123,432	119,729
Pennsylvania	858,164	925,845	1,006,163	975,978
Rhode Island	108,354	114,144	114,087	[3] 111,805
South Carolina	217,790	224,545	219,023	212,452
South Dakota	45,911	48,637	53,021	51,431
Tennessee	329,034	353,542	389,720	378,029
Texas	770,902	819,598	706,470	685,276
Utah	71,428	80,082	78,841	76,476
Vermont	53,744	59,003	58,267	56,518
Virginia	254,153	286,137	294,930	286,082
Washington	224,260	239,729	220,404	[3] 215,996
West Virginia	96,780	97,823	105,303	102,144
Wisconsin	541,736	581,983	605,372	587,211
Wyoming	9,412	10,021	10,912	10,585
Subtotal	17,049,207	17,961,013	18,678,679	18,179,655
Territories	32,331		48,076	48,076
Fraud abuse/TPL [5]				105,067
Other program adjustments				52,314
Financial adjustments	−8,075			−126,512
Subtotal	17,049,207	17,961,013	18,726,755	18,258,600
Proposed legislation				−278,000
Less: Computable transfer of administration block grant				−896,000
Total	17,073,463	17,961,013	18,726,755	17,084,600

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[1] 109 percent of State's February 1981 estimate of Federal share of fiscal year 1981 expenditures.

[2] Estimated appropriation reflecting impact of 3 percent reduction in Federal funds authorized under Public Law 97–35; in certain cases (see footnotes 3 and 4) the State's reduction is only 2 percent. The State figures do not reflect any lowering of the reduction attributable to meeting fraud and abuse/third party recovery offsets.

[3] State operates a qualified hospital cost review program; reduction only 2 percent.

[4] State sustains high unemployment rate; reduction only 2 percent.

[5] Estimated national total of offset for fraud and abuse/third party recovery activities; based on assumption that approximately 75 percent of the States will qualify for one-half of the year.

TABLE 3B.—ESTIMATE OF FEDERAL MEDICAID REIMBURSEMENT TO STATES IN FISCAL YEAR 1983 REFLECTING IMPACT OF OMNIBUS RECONCILIATION ACT OF 1981

[In thousands of dollars]

State	Current fiscal year 1983 State estimate (Nov. 1981)	Result of [1] general percentage reduction (4 percent)	Fiscal year 1982 [2] incentive rebate	Fiscal year 1983 appropriation estimate
Alabama	281,656	270,390		270,390
Alaska	31,843	30,569		30,569
Arkansas	258,195	247,867	6,902	254,769
California	2,326,017	2,232,976		2,232,976
Colorado	154,335	148,162		148,162
Connecticut	252,021	[3] 244,460		244,460
Delaware	35,310	33,898	631	34,529
Dist. of Col	118,365	113,631	1,209	114,840
Florida	405,206	388,998	1,976	390,974
Georgia	465,211	446,603		446,603
Hawaii	80,974	77,735		77,735
Idaho	50,540	48,518		48,518
Illinois	839,850	806,256		806,256
Indiana	360,622	346,197		346,197
Iowa	183,668	176,321		176,321
Kansas	137,527	132,026	3,843	135,869
Kentucky	323,674	310,727		310,727
Louisiana	467,621	448,917		448,917
Maine	156,330	150,007		150,007
Maryland	313,301	[3] 303,902		303,902
Massachusetts	732,906	[3] 710,918	1,315	712,233
Michigan	853,031	[4] 827,440		827,440
Minnesota	505,634	485,408		485,408
Mississippi	268,383	257,648		257,648
Missouri	331,016	317,776		317,776
Montana	64,504	61,924		61,924
Nebraska	94,127	90,362	1,874	92,236
Nevada	53,042	50,920		50,920
New Hampshire	66,382	63,727	1,781	65,508
New Jersey	544,017	[3] 527,696	9,812	537,508
New Mexico	90,432	86,815		86,815
New York	3,670,699	[3] 3,560,578		3,560,578
North Carolina	461,293	442,841		442,841
North Dakota	56,203	53,954		53,954
Ohio	797,944	766,026		766,026

TABLE 3B.—ESTIMATE OF FEDERAL MEDICAID REIMBURSEMENT TO STATES IN FISCAL YEAR 1983 REFLECTING IMPACT OF OMNIBUS RECONCILIATION ACT OF 1981—Continued

[In thousands of dollars]

State	Current fiscal year 1983 State estimate (Nov. 1981)	Result of [1] general percentage reduction (4 percent)	Fiscal year 1982 [2] incentive rebate	Fiscal year 1983 appropriation estimate
Oklahoma	272,929	262,011	6,842	268,853
Oregon	126,136	121,091	3,703	124,794
Pennsylvania	1,107,875	1,063,560	....	1,063,560
Rhode Island	123,721	[3] 120,009	57	120,066
South Carolina	244,151	234,385	5,522	239,907
South Dakota	55,159	52,952	....	52,952
Tennessee	462,193	443,705	....	443,705
Texas	880,136	844,930	21,194	886,124
Utah	90,896	87,260	1,241	88,501
Vermont	60,695	58,267	....	58,267
Virginia	303,925	291,768	4,408	291,768
Washington	241,048	[3] 233,817	....	238,225
West Virginia	117,466	112,767	....	112,767
Wisconsin	694,239	666,469	....	666,469
Wyoming	13,637	13,091	....	13,091
Subtotal	20,626,085	19,868,275	72,310	19,940,585
Territories	48,081	48,081	....	48,081
Fraud abuse/TPL [5]:				
1982		35,023	−7,748	27,275
1983		77,348	....	77,348
Other program adjustments		−175,827	....	−175,827
Subtotal	20,674,166	19,852,900	64,562	19,917,162
Proposed legislation				−2,101,300
Less: Transfer of administration block grant				−810,000
Total	20,674,166	19,852,900	64,562	17,006,162

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[1] Estimated appropriation reflecting impact of 4 percent reduction authorized by Public Law 97–35. In certain cases reduction is only 3 percent (see footnotes 3 and 4). The State figures do not reflect any lowering of the reduction attributable to meeting fraud and abuse offset.

[2] States which fell below their fiscal year 1982 target (see table 3A) and were entitled to a rebate.

[3] State operates a qualified hospital cost review program; reduction only 3 percent.

[4] State sustains high unemployment rate; reduction only 3 percent.

[5] Estimated national totals for fraud and abuse (and for fiscal year 1982, third party recovery) activities fiscal year 1983 estimate based on assumption that approximately 50 percent of the States will qualify for one-half of the year.

TABLE 3C.—CROSSWALK FROM THE ATTACHED STATE TABLES TO THE AGGREGATE RECONCILIATION SAVINGS

	Current fiscal year 1982 State estimate	Fiscal year 1982 appropriation estimate	Difference
Fiscal year 1982	$18,678,679	[1] $18,179,655	−$499,124
Fraud/abuse offset		+105,067	+105,067
Total savings	18,678,679	18,284,722	−393,957

	Current fiscal year 1983 State estimate	Fiscal year 1983 appropriation estimate	Difference
Fiscal year 1983	$20,626,085	$19,868,275	−$757,810
Fraud/abuse offset:			
1982		35,023	+35,023
1983		77,348	+77,348
Incentive rebate		64,562	+64,562
Adjustment to reconciliation savings [2]		9,000	+9,000
Total savings	20,626,085	20,054,298	−571,877

[1] Includes 3 percent reduction and the unemployment and hospital rate setting offset.

[2] The 1983 current law budget includes $225 million in savings due to the Medicaid impact of the 1981 Reconciliation Act changes to the AFDC program. Since this reduces the budget, the savings from the 4-percent reduction would also be reduced. Therefore, the savings were reduced by 4 percent of $25 million, or $9 million.

ELIGIBILITY CRITERIA

States having medicaid programs must cover the "categorically needy." In general, categorically needy individuals are persons receiving cash assistance payments under the Aid to Families with Dependent Children (AFDC) program or aged, blind, or disabled persons receiving benefits under the supplemental security income program. A State must cover under medicaid all recipients of AFDC payments. A State is, however, provided certain options (based, in large measure, on its coverage levels in effect prior to implementation of SSI in 1974) in determining the extent of coverage for persons receiving Federal SSI benefits and/or State supplementary SSI payments. States may cover certain additional groups of persons as "categorically needy" under their medicaid programs. These may include persons aged 18 to 21, and persons who would be eligible for cash assistance, except that they are patients in medical facilities (other than for persons under 65 who are in tuberculosis institutions or persons over 21 and under 65 who are in mental institutions).

States may also include the "medically needy"—those whose incomes and resources are large enough to cover daily living expenses, according to income levels set by the State, within certain limits, but not large enough to pay for medical care, providing that they are aged, blind, disabled, or members of families with children. P.L. 97-35 provided that if a state offers medically needy coverage to any group it must, at a minimum, provide ambulatory services to children and prenatal and delivery services to pregnant women.

All States (except Arizona) and the District of Columbia, Guam, Puerto Rico, the Virgin Islands, and the Northern Mariana Islands, have medicaid programs. Twenty jurisdictions cover only the "categorically needy," while 34, cover both the "categorically needy" and the "medically needy." As of January 1, 1982, the following States and jurisdictions provide medically needy coverage:

Arkansas
California
Connecticut
Washington, D.C.
Guam
Hawaii
Illinois
Kansas
Kentucky
Louisiana
Maine
Maryland
Massachusetts
Michigan
Minnesota
Montana
Nebraska
New Hampshire
New York
North Carolina
North Dakota
Northern Mariana Islands
Oklahoma
Pennsylvania
Puerto Rico
Rhode Island
Tennessee
Utah
Vermont
Virgin Islands
Virginia
Washington
West Virginia
Wisconsin

Tables 4 and 5 show State medicaid coverage criteria as of December 1980. Table 6 shows the number of medicaid recipients by maintenance assistance status, State by State, for fiscal year 1980.

TABLE 4.—MEDICAID COVERAGE UNDER AFDC BY JURISDICTION, DECEMBER 1980

Medicaid jurisdiction	AFDC State plan includes			Optional categorically needy					
	Families with unemployed parents	Unborn children	Children age 18–21 regularly attending school	Caretaker relatives	All financially eligible individuals under age 21	Individuals eligible but not receiving aid	Individuals eligible but in institutions	Individuals who would be eligible if AFDC is broad as Social Security Act allows	Individuals who would be eligible if child care cost paid from earnings
Alabama		X	X		X		X		
Alaska			X			X	X		
Arkansas			X		X		X		X
California	X	X	X	X	X	X	X		
Colorado	X	X	X	X		X	X		
Connecticut	X	X	X	X	X	X			
Delaware	X	X	X	X			X	X	
District of Columbia	X	X	X	X	X	X	X	X	X
Florida		X					X		
Georgia			X		X		X		
Guam	X	X	X						
Hawaii	X	X	X	X	X		X	X	
Idaho			X		X	X	X		
Illinois	X		X				X	X	
Indiana									
Iowa	X		X				X	X	
Kansas	X	X	X	X					
Kentucky			X	X	X	X		X	

Louisiana		X	X	X	X		X		
Maine				X	X	X	X	X	
Maryland	X	X	X	X	X	X	X	X	
Massachusetts	X	X	X	X	X	X	X		
Michigan	X	X	X	X	X				
Minnesota	X	X	X	X	X		X		X
Mississippi				X			X	X	
Missouri	X	X	X				X	X	X
Montana	X	X	X		X	X	X		X
Nebraska	X	X	X				X		
Nevada		X	X		X		X	X	
New Hampshire			X	X	X	X	X		
New Jersey	X	X	X	X	X	X	X	X	
New Mexico		X	X	X					X
New York	X	X	X	X		X	X	X	X
North Carolina			X	X					
North Dakota		X	X	X	X	X	X		X

TABLE 4.—MEDICAID COVERAGE UNDER AFDC BY JURISDICTION, DECEMBER 1980—Continued

Medicaid jurisdiction	AFDC State plan includes			Optional categorically needy					
	Families with unemployed parents	Unborn children	Children age 18–21 regularly attending school	Caretaker relatives	All financially eligible individuals under age 21	Individuals eligible but not receiving aid	Individuals eligible but in institutions	Individuals who would be eligible if AFDC is broad as Social Security Act allows	Individuals who would be eligible if child care cost paid from earnings
Northern Marianas	X	X	X	X	X	X	...	...	X
Ohio	X	X	X	...	...	...	X	X	X
Oklahoma	...	...	X	X	X	X	X	...	X
Oregon	...	...	X	X	X	X	X	X	
Pennsylvania	X	X	...	X	X	X	X	X	X
Puerto Rico	...	...	...	X	X	X	X	X	
Rhode Island	X	X	X	X	X	X	X	...	
South Carolina	...	X	X	X	X	...	X	...	
South Dakota	...	X	...	...	...	...	X	...	
Tennessee	...	X	X	...	X	...	...	...	
Texas	...	...	X	...	...	...	X	...	
Utah	X	X	X	X	X	X	X	...	
Vermont	X	X	X	X	X	X	X	...	
Virgin Islands	...	...	X	X	X	X	X	X	
Virginia	...	...	X	X	...	X	X	...	X
Washington	X	X	X	...	X	X	X	...	X
West Virginia	X	X	X	...	...	X	...	...	
Wisconsin	X	X	...	X	X	X	X	...	X
Wyoming	...	X	X	...	...	...	X	...	

Source: State Plans Branch, Bureau of Program Operations, HCFA.

TABLE 5.—MEDICAID COVERAGE UNDER SSI BY JURISDICTION, DECEMBER 1980

Medicaid jurisdiction	All SSI recipients	More restricted standard	Optional categorically needy				
			State supplement recipients			Individuals eligible but not receiving aid	Individuals eligible but in institutions
			Aged	Blind	Disabled		
Alabama	X	...	X	X	X	...	X
Alaska	X	...	X	X	X	X	X
Arkansas	X	...	...	...	...	...	X
California	X	...	X	X	X	X	X
Colorado	X	...	X	...	...	X	X
Connecticut	...	...	...	X	X	X	
Delaware	X	X	X	X	X	X	X
District of Columbia	X	...	...	...	...	X	X

TABLE 5.—MEDICAID COVERAGE UNDER SSI BY JURISDICTION, DECEMBER 1980—Continued

Medicaid jurisdiction	All SSI recipients	More restricted standard	Optional categorically needy				
			State supplement recipients			Individuals eligible but not receiving aid	Individuals eligible but in institutions
			Aged	Blind	Disabled		
Florida	X						X
Georgia	X						X
Guam [1]							
Hawaii		X	X	X	X		X
Idaho	X		X	X	X	X	
Illinois		X	X	X	X		X
Indiana		X	X	X	X		
Iowa	X		X	X	X		X
Kansas	X						
Kentucky	X		X	X	X		
Louisiana	X						X
Maine	X		X	X	X	X	X
Maryland	X		X	X	X	X	X
Massachusetts	X		X	X	X	X	X
Michigan	X		X	X	X		
Minnesota		X	X	X	X		X
Mississippi		X					X
Missouri		X	X	X	X		X
Montana	X		X	X	X	X	X
Nebraska		X	X	X	X		X

Nevada	X		X	X			X
New Hampshire		X	X	X	X	X	X
New Jersey	X		X	X	X	X	X
New Mexico	X						X
New York		X	X	X	X	X	X
North Carolina		X	X	X	X	X	
North Dakota		X				X	X
Northern Marianas [1]	X					X	X
Ohio		X					
Oklahoma		X	X	X	X	X	X
Oregon	X		X	X	X	X	X
Pennsylvania	X		X	X	X	X	X
Puerto Rico [1]	X					X	X
Rhode Island	X		X	X	X	X	X
South Carolina	X		X	X	X		X
South Dakota	X		X	X	X		X
Tennessee	X						
Texas	X						X
Utah		X				X	X
Vermont	X		X	X	X	X	X

TABLE 6.—MEDICAID RECIPIENTS BY MAINTENANCE ASSISTANCE STATUS AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Total recipients	Categorically needy: Receiving cash payments	Categorically needy: Not receiving cash payments	Medically needy
United States	21,604,387	16,312,485	1,546,696	3,964,759
Region I:				
Boston	1,363,547	1,002,608	65,651	296,887
Connecticut	216,570	160,628	...	55,942
Maine	145,608	97,031	28,860	19,437
Massachusetts	774,913	580,361	...	194,552
New Hampshire	44,859	30,696	8,155	6,008
Rhode Island	127,800	94,190	15,189	18,421
Vermont	53,797	39,702	13,447	2,527
Region II:				
New York	4,363,716	2,389,147	297,731	1,676,838
New Jersey	676,260	607,526	68,734	...
New York	2,288,073	1,637,621	...	650,452
Puerto Rico	1,386,103	139,996	288,707	1,017,400
Virgin Islands	13,280	4,004	290	8,986
Region III:				
Philadelphia	2,188,770	1,771,479	120,903	310,619
Delaware	49,205	44,372	6,066	...
District of Columbia	126,691	110,444	1,830	14,417
Maryland	312,538	256,650	...	55,888
Pennsylvania	1,250,560	989,711	96,803	164,046
Virginia	320,420	259,879	6,823	65,236
West Virginia	129,356	110,423	9,381	11,032
Region IV:				
Atlanta	3,040,732	2,628,156	239,830	182,914
Alabama	324,364	306,620	17,744	...
Florida	500,652	454,434	46,218	...
Georgia	430,255	389,914	50,509	...
Kentucky	410,248	320,809	2,953	86,486
Mississippi	306,879	252,742	54,137	...
North Carolina	376,656	302,461	21,757	52,438
South Carolina	337,304	307,282	30,022	...
Tennessee	354,374	293,894	16,490	43,990
Region V:				
Chicago	3,785,842	3,139,928	328,632	363,085
Illinois	1,048,621	859,809	...	188,812
Indiana	205,278	160,490	44,788	...
Michigan	973,443	884,115	...	89,328
Minnesota	325,359	245,778	24,243	55,338
Ohio	808,638	681,859	172,582	...
Wisconsin	424,503	307,877	87,019	29,607

TABLE 6.—MEDICAID RECIPIENTS BY MAINTENANCE ASSISTANCE STATUS AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Categorically needy		Medically needy
		Receiving cash payments	Not receiving cash payments	
Region VI:				
Dallas	1,616,932	1,405,349	199,883	44,742
Arkansas	222,459	183,631	20,508	22,631
Louisiana	365,238	326,233	28,978	10,027
New Mexico	87,862	81,242	6,620	
Oklahoma	253,647	204,140	37,423	12,084
Texas	687,726	610,103	106,354	
Region VII:				
Kansas City	720,176	562,773	97,467	66,689
Iowa	178,429	152,609	32,573	
Kansas	148,962	94,142	2,398	52,422
Missouri	321,485	260,979	60,506	
Nebraska	71,300	55,043	1,990	14,267
Region VIII:				
Denver	321,769	271,490	49,525	18,032
Colorado	141,271	137,747	16,929	
Montana	45,818	31,850	12,200	1,768
North Dakota	31,387	18,326	6,467	6,594
South Dakota	34,866	28,642	6,224	
Utah	57,376	44,897	6,682	9,670
Wyoming	11,051	10,028	1,023	
Region IX:				
San Francisco	3,549,523	2,633,346	38,615	944,940
California	3,417,680	2,531,980	26,100	925,720
Hawaii	106,641	80,219	7,202	19,220
Nevada	25,202	21,147	5,313	
Region X:				
Seattle	653,380	508,209	108,459	60,013
Alaska	17,156	16,225	931	
Idaho	43,984	35,157	10,529	
Oregon	277,083	202,779	74,304	
Washington	315,157	254,048	22,695	60,013

BENEFITS

Federal law requires States to include the following basic services for categorically needy recipients under their medicaid programs: inpatient hospital services; outpatient hospital services; laboratory and X-ray services; skilled nursing facility services for individuals 21 and older; home health care services for individuals eligible for skilled nursing facility services; physicians' services; family planning services; rural health clinic services; and early and periodic screening, diagnosis and treatment services for individuals under 21. In addition, States may provide any number of other services if they elect to do so, including drugs, eyeglasses, private duty nursing, intermediate care facility services, inpatient psychiatric care for the aged and persons under 21, physical therapy, dental care, etc. Table 7 shows services offered under State programs as of August 1981. For both the mandatory and optional services, States may set limitations on the amount, duration, and scope of coverage (for example, a limitation on the number of days of hospital care or on the number of physician visits).

Federal law, as amended by P.L. 97–35, establishes the following requirements for coverage of the medically needy: (1) if a State provides medically needy coverage to any group it must provide ambulatory services to children and prenatal and delivery services for pregnant women; (2) if a State provides institutional services for any medically needy group, it must also provide ambulatory services for this population group; and (3) if the State provides medically needy coverage for persons in intermediate care facilities for the mentally retarded (ICF/MRs), it must offer to all groups covered in its medically needy program the same mix of institutional and noninstitutional services as required under prior law (i.e. either all of the mandatory services or alternatively the care and services listed in 7 of the 17 paragraphs in the law defining covered services).

By law, medicaid recipients are generally permitted to obtain medical assistance from any institution, agency, community pharmacy, or person qualified to perform the service if such individual or entity undertakes to provide it. This is known as the "freedom of choice" provision. P.L. 97–35 authorized certain exemptions from this requirement including permitting States to: (1) purchase laboratory services and medical devices under a competitive bidding arrangement; (2) "lock in" recipients who overutilize services to particular providers; and (3) "lock out" providers who have significantly abused the program. The legislation also permitted the Secretary to grant waivers from the freedom-of-choice requirement. Under the waiver authority, States are able to restrict the providers from whom beneficiaries can obtain nonemergency services, providing certain conditions, including access to services of adequate quality, are met.

Public Law 97–35 also authorized the Secretary to waive Federal requirements to enable a State to provide home and community-based services, pursuant to a written plan of care, to individuals who have been determined to otherwise require long-term institutional care. The State must provide assurances that the average per capita expenditure for individuals provided services under the waiver does not exceed the average per capita amount which would have been expended for such individuals if the waivers had not been in effect.

TABLE 7

Medicaid Services by Jurisdiction as of August 1981

● CN[2]
‡ Both CN and MN[3]

FMAP[1]	BASIC REQUIRED MEDICAID SERVICES SEE ABOVE		Practitioners' Services: Podiatrists' Services	Optometrists' Services	Chiropractors' Services	Other Practitioners' Services	Dental Services	Physical Therapy	Occupational Therapy	Speech, Hearing, and Language Disorder	Rehabilitative Services	Drugs and Devices: Prescribed Drugs	Dentures	Prosthetic Devices	Eyeglasses	Outpatient Services: Screening Services	Preventive Services	Diagnostic Services	Clinic Services	Emergency Hospital Services
71	●	Alabama		●								●		●	●					●
50	●	Alaska		●						●					●				●	●
61		Arizona																		
73	‡	Arkansas		‡	‡	‡	‡					‡	‡	‡	‡				‡	‡
50	‡	California	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡
53	●	Colorado	●									●		●					●	●
50	‡	Connecticut	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	
50	●	Delaware	●									●		●				●	●	●
50	‡	D.C.	‡	‡		‡		‡			‡	‡		‡	‡		‡	‡	‡	‡
58	●	Florida		●		●	●			●		●	●		●					●
67	●	Georgia	●			●						●		●					●	
50	‡	Guam		‡			‡	‡		‡		‡	‡	‡	‡				‡	‡
50	‡	Hawaii	‡	‡		‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡
66	●	Idaho	●	●	●			●			●	●							●	●
50	‡	Illinois	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡		‡	‡	‡	‡
57	●	Indiana	●	●	●		●	●	●	●	●	●	●	●	●		●	●	●	●
59	●	Iowa	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●		●
54	‡	Kansas	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡				‡	‡
68	‡	Kentucky		‡		‡		‡	‡	‡		‡		‡					‡	‡
69	‡	Louisiana			‡						‡	‡	‡	‡					‡	‡
70	‡	Maine	‡		‡	●		‡	‡	‡	‡	‡		‡		‡	‡	‡	‡	●
50	‡	Maryland	‡	‡				‡				‡	‡	‡	‡				‡	‡
52	‡	Massachusetts	‡	‡		‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡
50	‡	Michigan	‡	‡	‡	‡	‡	‡	‡	‡		‡	‡	‡	‡			‡	‡	‡
56	‡	Minnesota	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡
78	●	Mississippi					●					●								
60	●	Missouri		●			●				●	●	●		●	●	●	●		●
64	‡	Montana	‡	‡		‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡
58	‡	Nebraska	‡	‡	‡	‡	‡	‡		‡	‡	‡	‡	‡	‡				‡	‡
50	●	Nevada	●	●	●	●		●	●	●	●	●	●	●	●				●	●
61	‡	New Hampshire	‡	‡	‡	‡		‡	‡	‡	‡	‡		‡	‡	‡	‡	‡	‡	‡
50	●	New Jersey	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
69	●	New Mexico	●	●		●	●	●	●	●	●	●	●	●	●				●	●
50	‡	New York	‡	‡		‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡
68	‡	North Carolina	‡	‡	‡		‡				‡	‡	‡		‡	‡	‡	‡	‡	
57	‡	North Dakota	‡	‡	‡		‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡
50	‡	N. Mariana Islands		‡			‡	‡				‡	‡	‡	‡				‡	
55	●	Ohio	●	●	●	●	●	●	●	●		●	●	●	●				●	●
64	‡	Oklahoma	‡								‡	‡		‡						
56	●	Oregon	●	●	●	●	●	●			●	●	●	●	●			●	●	●
55	‡	Pennsylvania	●	‡	‡		●					●	●	●					‡	‡
50	‡	Puerto Rico				‡	‡	‡	‡	‡	‡	‡				‡	‡	‡	‡	‡
58	‡	Rhode Island	‡	‡			‡					‡	‡	‡	‡					
71	●	South Carolina	●		●							●		●						●
69	●	South Dakota			●		●	●	●		●	●	●	●					●	●
69	‡	Tennessee										‡		‡					‡	‡
58	●	Texas	●	●	●						●	●		●	●					●
68	‡	Utah	‡	‡		‡	‡	‡		‡		‡	‡	‡	‡				‡	‡
68	‡	Vermont	‡									‡		‡					‡	‡
50	‡	Virgin Islands					‡	‡	‡	‡		‡	‡	‡	‡				‡	
57	‡	Virginia	‡	‡				‡	‡	‡		‡			‡				‡	‡
50	‡	Washington	‡	‡	‡	‡	‡	‡		‡	‡	‡	‡	‡	‡		‡	‡	‡	‡
67	‡	West Virginia	‡	‡	‡	‡		‡		‡		‡	‡	‡	‡				‡	‡
58	‡	Wisconsin	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡	‡
50	●	Wyoming		●				●			●			●						
●	20	●	14	14	10	9	11	10	7	7	11	19	11	16	12	3	4	6	12	16
‡	34	‡	25	27	17	20	23	26	18	23	20	33	24	30	26	13	16	17	32	28
	54	Total	39	41	27	29	34	36	25	30	31	52	35	46	38	16	20	23	44	44

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[1] FMAP-Federal Medicaid Assistance Percentage: Rate of Federal financial participation in a State's medical vendor payment expenditures on behalf of individuals and families eligible under Title XIX of the Social Security Act. Percentages, effective from October 1, 1979, through September 30, 1981 are rounded.

[2] Categorically Needy: People receiving federally supported financial assistance.

[3] Medically Needy: People who are eligible for medical but not for financial assistance.

ICFs			SNFs	Personal Services				Services for Age 65 or Older in TB Institutions			Services for Age 65 or Older in Mental Institutions				
Intermediate Care Facility Services	ICF for Mentally Retarded	Inpatient Psychiatric Service for Under Age 22	SNF for Under Age 21	Personal Care Services	Private Duty Nursing	Christian Science Nurses	Christian Science Sanitoria	A. Inpatient Hospital Services	B. SNF Services	C. ICF Services	A. Inpatient Hospital Services	B. SNF Services	C. ICF Services	Total Additional Services	
●	●	●	●					●				●	●	12	AL
●	●	●	●								●			10	AK
															AZ
●	●	◆	●	●				◆	●	●	◆	●	●	21	AR
◆	◆	◆	◆			◆	◆	◆	◆	◆	◆	◆	◆	30	CA
●	●	●	●								●	●	●	17	CO
◆	◆	◆	◆		◆		◆				◆			24	CT
●	●		●								●			10	DE
◆	◆	◆	◆	◆				◆			◆			19	DC
●	●	●					●	●			●			14	FL
●	●		●					●	●	●		●	●	13	GA
														16	GU
◆	◆		◆											20	HI
●	●		●										●	12	ID
◆	◆	◆	◆		◆		◆	◆	◆	◆	◆	◆	◆	29	IL
●	●	●	●		●	●	●				●			24	IN
●	●	●	●								●			21	IA
◆	◆	◆	◆		◆			◆	◆	◆	◆	◆	◆	26	KS
◆	◆	◆	◆					◆			◆	◆	◆	17	KY
●	●	●	●					●			●	●	●	15	LA
◆	◆	◆	◆			◆	◆				◆	◆	●	23	ME
◆	◆		◆					◆			◆		◆	15	MD
◆	◆		◆	◆	◆	◆	◆	◆			◆	◆	◆	28	MA
◆	◆	◆	◆	◆			◆				◆	◆	◆	24	MI
◆	◆	◆	◆	◆	◆		◆	◆	◆	◆	◆	◆	◆	31	MN
●	●		●				●	●			●			8	MS
●	●							●			●			14	MO
◆	◆	◆	◆	◆	◆						◆	◆	◆	26	MT
◆	◆	◆	◆	◆	◆						◆	◆	◆	23	NE
●	●		●	◆	●						●			20	NV
●	●		◆	◆	◆	◆	◆				◆		●	25	NH
●	●	●	●				●	●			●	●	●	27	NJ
●	●		●		●									18	NM
◆	◆	◆	◆	◆	◆			◆	◆	◆	◆	◆	◆	29	NY
◆	◆	◆	◆					◆			◆		◆	11	NC
◆		◆	◆		◆						◆			22	ND
		◆	◆	◆				◆	◆		◆	◆		16	NMI
●	●	●	●		●		●				●	●	●	23	OH
◆	◆	◆		◆							◆			10	OK
●	●	●	●	●	●		●				●			22	OR
◆	◆	◆	◆								◆	◆	◆	18	PA
								◆						13	PR
●	●		◆								◆			11	RI
●	●	●	●					●			●			11	SC
●	●		●	●								●	●	16	SD
◆	◆	◆					◆	◆	◆	◆	◆	◆	◆	14	TN
●	●			●			●	●						13	TX
◆	◆	◆	◆		◆						◆			18	UT
◆	◆	◆	◆								◆			10	VT
														9	VI
◆	◆		◆				◆	◆			◆	◆	◆	17	VA
◆	◆	●	◆		◆			◆	◆	◆	◆	◆	◆	27	WA
◆	◆		◆		◆			◆	◆		◆	◆		20	WV
◆	◆	◆	◆	◆	◆	◆	◆				◆			22	WI
●			●											8	WY
24	22	12	19	4	5	1	7	9	2	2	15	8	11		
26	26	22	27	12	14	5	11	17	9	7	28	17	16		
50	48	34	46	16	19	6	18	26	11	9	43	25	27		

FINANCING

The Federal Government helps States share in the cost of medicaid services by means of a variable matching formula that is periodically adjusted. The matching rate, which is inversely related to a State's per capita income, can range from 50 to 83 percent though no State currently receives higher than 77.36 percent. Federal matching for the territories is set at 50 percent with a maximum dollar limit placed on the amount each territory can receive. The Federal share of administrative costs is 50 percent for all States except for certain items where the authorized rate is higher. Table 8 shows Federal matching rates for medicaid by State.

Public Law 97-35 provided that the amount of Federal matching payments to which a State is otherwise entitled is to be reduced by 3 percent in FY82, 4 percent in FY83, and 4.5 percent in FY84. A State can lower the amount of its reduction by 1 percentage point for each of the following: (1) operating a qualified hospital cost review program; (2) sustaining an unemployment rate exceeding 150 percent of the national average; and (3) demonstrating recoveries from fraud and abuse activities, and with respect to FY82, third-party recoveries equal to 1 percent of Federal payments.

A State is entitled to a dollar for dollar offset in its reductions if total Federal Medicaid expenditures in a year fall below a specified target amount. In no case can the amount recovered exceed the total amount of reductions. In FY82, the target amount is equal to 109 percent of the State's estimates for FY81. In FY83 and FY84, the target amounts are equal to the FY82 target increased or decreased by the same percentage as the increase or decrease in the index of medical care component of the consumer price index over the same period. The reduction and offset provisions do not apply to the territories or to Arizona which does not currently have a Medicaid program.

TABLE 8.—CURRENT FEDERAL MEDICAL ASSISTANCE PERCENTAGES

[Effective for the period Oct. 1, 1981–Sept. 30, 1983]

Alabama	71.13
Alaska	50.00
Arizona [1]	
Arkansas	72.16
California	50.00
Colorado	52.28
Connecticut	50.00
Delaware	50.00
District of Columbia	50.00
Florida	57.92

TABLE 8.—CURRENT FEDERAL MEDICAL ASSISTANCE PERCENTAGES—Continued

[Effective for the period Oct. 1, 1981–Sept. 30, 1983]

Georgia	66.28
Guam	50.00
Hawaii	50.00
Idaho	65.43
Illinois	50.00
Indiana	56.73
Iowa	55.35
Kansas	52.50
Kentucky	67.95
Louisiana	66.85
Maine	70.63
Maryland	50.00
Massachusetts	53.56
Michigan	50.00
Minnesota	54.39
Mississippi	77.36
Missouri	60.38
Montana	65.34
Nebraska	58.12
Nevada	50.00
New Hampshire	59.41
New Jersey	50.00
New Mexico	67.19
New York	50.88
North Carolina	67.81
North Dakota	62.11
Northern Mariana Islands	50.00
Ohio	55.10
Oklahoma	59.91
Oregon	52.81
Pennsylvania	56.78
Puerto Rico	50.00
Rhode Island	57.77
South Carolina	70.77
South Dakota	68.19
Tennessee	68.53
Texas	55.75
Utah	68.64
Vermont	68.59
Virgin Islands	50.00
Virginia	56.74

TABLE 8.—CURRENT FEDERAL MEDICAL ASSISTANCE PERCENTAGES—Continued

[Effective for the period Oct. 1, 1981–Sept. 30, 1983]

Washington	50.00
West Virginia	67.95
Wisconsin	58.02
Wyoming	50.00

[1] Not applicable; no title XIX program in effect.

PAYMENT FOR SERVICES

States have considerable leeway in setting reimbursement levels for services. They are required to reimburse hospitals, skilled nursing facilities, and intermediate care facilities at rates that are reasonable and adequate to meet the cost which must be incurred by efficiently and economically operated facilities in order to meet applicable laws and quality and safety standards. In developing their payment rates for hospitals States are required to take into account the situation of facilities which serve a disproportionate number of low income patients. Further, hospital payment rates must be sufficient to assure that medicaid patients have reasonable access to services of adequate quality.

States must set reimbursement levels for physicians, other practitioners, and laboratories, and for other noninstitutional services and items at rates which are sufficient to make sure that these services and items are available to the medicaid population at least to the extent that they are available to the general population. Federal law no longer requires that payment for physicians' and certain other services cannot exceed medicare's reasonable charge level. Thus, with certain exceptions, States must simply assure that payment for these services and items be consistent with efficiency, economy and quality of care.

Payments for covered services are made directly to the provider of services and the provider is required to accept the medicaid payment as payment in full for covered services.

Federal law permits States to impose nominal copayments and deductible amounts with respect to optional services for the categorically needy and for all services for the medically needy. In addition, nursing homes residents are required to turn over their excess income to help pay for the cost of their care; in general they are allowed to retain $25 for their personal needs.

ADMINISTRATION

Medicaid is a State-administered program. At the Federal level, the Health Care Financing Administration (HCFA) of the Department of Health and Human Services is responsible for overseeing State operations.

Federal law requires that one State agency be designated as the single State agency responsible for the administration of the medicaid program. Traditionally, that agency has been either the State welfare agency, the State health agency, or the umbrella human resources agency. Though the single State agency bears ultimate responsibility for administration of the medicaid program, that agency often contracts with other State agencies to carry out some program functions. In addition, States may process claims for reimbursement themselves or contract with fiscal agents or health insuring agencies to process these claims.

ADDITIONAL PROGRAM DATA

Tables 9–14 provide additional State-by-State data on the medicaid program. Tables 9 and 10 present expenditure data. Tables 11–14 include data on program recipients by category.

TABLE 9A.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Total payments	Inpatient hospital		Skilled nursing facilities
		General hospital	Mental hospital	
United States	23,301,072,045	6,271,101,166	872,778,741	3,708,734,417
Region I:				
Boston	1,781,795,119	550,784,930	71,550,688	298,293,700
Connecticut	349,673,332	64,280,447	47,574,413	145,435,226
Maine	131,319,771	30,891,328		3,225,391
Massachusetts	1,009,262,162	377,984,048	18,936,305	142,935,367
New Hampshire	71,894,256	10,811,937	685	3,649,427
Rhode Island	160,378,523	56,228,111	1,706,915	2,089,881
Vermont	59,267,075	10,589,059	3,332,370	958,408
Region II:				
New York	5,399,697,566	1,329,859,563	441,904,716	1,103,966,788
New Jersey	755,928,888	171,476,347	44,497,749	14,329,200
New York	4,542,635,370	1,128,217,400	397,406,967	1,089,637,588
Puerto Rico	99,555,685	29,457,948		
Virgin Islands	1,577,623	707,868		
Region III:				
Philadelphia	2,054,051,234	653,934,776	99,639,319	217,342,765
Delaware	45,250,234	12,124,011	886,565	327,417
District of Columbia	168,475,960	92,362,588		2,262,159
Maryland	319,577,879	132,346,984		7,460
Pennsylvania	1,058,194,477	300,073,628	98,266,527	205,021,742
Virginia	358,961,768	81,784,167	486,227	9,508,628
West Virginia	103,590,916	35,243,398		215,359
Region IV:				
Atlanta	2,664,318,779	685,781,024	37,930,885	322,768,417
Alabama	263,459,809	59,801,345	120,513	38,284,359
Florida	392,017,997	128,377,375	5,696,664	56,267,134
Georgia	462,444,432	116,806,724		62,695,718
Kentucky	295,606,715	76,612,678	2,522,517	18,736,460
Mississippi	211,044,459	54,018,304		49,091,463

TABLE 9A.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total payments	Inpatient hospital		Skilled nursing facilities
		General hospital	Mental hospital	
North Carolina	401,066,128	105,634,469	10,334,654	57,011,096
South Carolina	259,172,262	61,896,548	12,847,258	26,318,312
Tennessee	379,506,977	82,633,581	6,409,279	14,363,875
Region V:				
Chicago	4,703,498,457	1,271,326,165	162,644,627	882,524,942
Illinois	1,191,914,747	425,736,532	87,563,456	101,782,500
Indiana	354,228,096	75,780,137	2,190,831	44,975,662
Michigan	1,071,680,997	352,511,023	24,060,422	133,824,028
Minnesota	590,361,587	78,279,374	11,177,322	170,833,619
Ohio	809,431,930	233,025,930	26,940,065	184,719,101
Wisconsin	685,881,100	105,993,169	10,712,531	246,390,032
Region VI:				
Dallas	1,966,437,189	388,698,901	6,476,533	74,233,721
Arkansas	234,660,263	46,214,886	176,775	28,782,852
Louisiana	415,232,001	82,663,672	2,075,654	3,795,239
New Mexico	70,257,232	20,285,939	....	996,846
Oklahoma	265,433,438	67,308,141	4,224,104	71,587
Texas	980,854,255	172,226,263	....	40,587,197
Region VII:				
Kansas City	835,836,265	189,575,122	10,695,078	13,141,134
Iowa	230,231,390	41,969,410	2,000,716	1,120,403
Kansas	201,771,290	47,297,014	6,212,599	2,215,744
Missouri	295,051,588	79,149,196	70,303	3,775,046
Nebraska	108,781,997	21,159,502	2,411,460	6,029,941
Region VIII:				
Denver	439,713,617	82,959,868	8,764,766	54,438,003
Colorado	181,712,992	33,197,210	5,062,775	23,549,589
Montana	62,339,140	12,458,556	4,014	2,067,051
North Dakota	46,741,977	8,905,439	2,059,561	15,696,985
South Dakota	54,906,601	8,452,578	....	3,534,882
Utah	79,564,611	16,313,254	1,638,416	7,934,471
Wyoming	14,448,296	3,632,831	....	1,655,025
Region IX:				
San Francisco	2,869,204,878	992,478,199	26,373,188	600,428,777
California	2,728,153,733	958,813,666	25,983,035	579,552,107
Hawaii	96,161,524	20,601,154	....	19,953,213
Nevada	44,889,621	13,063,379	390,153	923,457
Region X:				
Seattle	586,518,941	125,702,618	6,798,941	141,596,170
Alaska	26,663,196	4,841,190	5,753	2,346,683
Idaho	51,972,100	9,093,800	....	9,631,830
Oregon	178,936,582	29,687,387	5,645,742	4,699,795
Washington	328,947,063	82,080,241	1,147,446	124,917,862

TABLE 9B.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Intermediate care facilities		Physician	Dental
	Mentally retarded	All other		
United States	1,976,730,785	4,221,263,507	1,872,881,787	462,518,268
Region I:				
Boston	158,628,970	317,089,310	97,128,459	31,931,504
Connecticut	339,122	16,651,538	16,522,617	3,997,610
Maine		61,094,288	11,975,855	2,122,822
Massachusetts	121,437,511	129,266,359	52,959,908	21,071,754
New Hampshire	4,070,364	40,301,364	3,676,035	754,033
Rhode Island	23,328,400	51,456,184	5,231,710	2,947,684
Vermont	9,453,573	18,319,577	6,762,304	1,037,601
Region II:				
New York	402,162,182	772,067,049	181,622,282	69,698,235
New Jersey	113,566,236	211,625,493	54,644,838	22,202,409
New York	288,595,946	560,441,556	126,937,533	47,483,980
Puerto Rico				
Virgin Islands			39,911	11,846
Region III:				
Philadelphia	276,952,471	353,993,107	128,321,752	27,226,517
Delaware	6,517,097	12,970,521	5,028,239	306,150
District of Columbia	9,491,204	13,656,136	14,557,341	1,219,920
Maryland		106,624,007	20,914,647	6,623,637
Pennsylvania	205,699,735	76,190,461	38,526,438	11,623,306
Virginia	54,186,380	113,854,290	34,000,558	5,302,360
West Virginia	1,058,055	30,697,692	15,294,529	2,151,144
Region IV:				
Atlanta	210,616,653	626,563,742	264,022,632	56,401,231
Alabama	7,596,084	85,512,180	28,926,929	3,596,696
Florida	13,547,703	79,808,921	34,562,982	4,524,997
Georgia	38,653,775	101,012,942	46,248,219	9,607,198
Kentucky	20,715,626	79,899,032	37,750,561	9,625,922
Mississippi	9,719,600	29,188,045	24,928,818	4,481,959
North Carolina	44,466,053	69,885,869	32,496,372	14,144,987
South Carolina	31,899,046	62,780,796	24,350,930	5,389,763
Tennessee	44,018,766	118,475,957	34,757,821	5,029,709

TABLE 5.—MEDICAID COVERAGE UNDER SSI BY JURISDICTION, DECEMBER 1980—Continued

Medicaid jurisdiction	All SSI recipients	More restricted standard	Optional categorically needy				
			State supplement recipients			Individuals eligible but not receiving aid	Individuals eligible but in institutions
			Aged	Blind	Disabled		
Virgin Islands [1]						X	X
Virginia		X	X	X	X	X	X
Washington	X		X	X	X	X	X
West Virginia	X					X	
Wisconsin	X		X	X	X	X	X
Wyoming	X						X

[1] Eligibility determination for the territories is based on separate regulations which are found in 42 CFR 436. The Medicaid agency may not require a separate application for Medicaid from an individual if the individual receives cash assistance under a State plan for OAA, AFDC, AB, APTD, or AABD.

Source: State Plans Branch, Bureau of Program Operations, HCFA.

TABLE 9B.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Intermediate care facilities		Physician	Dental
	Mentally retarded	All other		
Region V:				
Chicago	369,532,779	843,685,642	387,572,041	102,272,846
Illinois		224,818,582	109,273,705	31,831,222
Indiana	25,784,809	139,726,694	18,022,318	2,864,248
Michigan	101,870,244	161,194,533	139,113,192	22,398,946
Minnesota	116,214,494	104,852,500	34,800,431	12,389,079
Ohio	69,573,154	97,675,030	58,519,523	14,435,944
Wisconsin	56,090,078	115,418,303	27,842,872	18,353,407
Region VI:				
Dallas	285,108,664	726,417,108	193,922,051	22,058,579
Arkansas	25,655,369	67,660,296	23,959,961	4,864,755
Louisiana	65,638,026	144,902,078	36,949,903	6,721,501
New Mexico	6,493,020	16,273,387	10,951,643	2,242,435
Oklahoma	27,540,867	107,450,933	21,773,390	2,970,156
Texas	159,781,382	390,130,414	100,287,154	5,259,732
Region VII:				
Kansas City	118,303,152	299,715,572	55,804,387	23,683,520
Iowa	39,428,797	92,417,581	18,892,378	7,016,449
Kansas	33,124,151	66,180,094	12,252,977	4,124,997
Missouri	30,532,825	100,237,873	18,031,042	10,826,970
Nebraska	15,217,379	40,880,024	6,627,990	1,715,104
Region VIII:				
Denver	57,494,559	143,136,753	30,363,529	6,686,612
Colorado	25,740,200	52,470,458	9,474,685	2,107,472
Montana	4,523,668	27,831,236	6,119,916	1,869,653
North Dakota		9,754,638	3,703,675	1,609,312
South Dakota	11,202,344	23,487,692	3,532,119	539,988
Utah	16,028,347	22,728,713	6,062,959	378,655
Wyoming		6,864,016	1,470,175	181,532
Region IX:				
San Francisco	46,130,168	55,187,048	476,556,926	100,938,569
California	33,445,392	25,617,095	457,630,506	93,724,478
Hawaii	9,019,400	12,265,206	14,619,553	6,498,577
Nevada	3,665,376	17,304,747	4,306,867	715,514
Region X:				
Seattle	51,801,187	83,408,176	57,567,728	21,620,655
Alaska	5,840,575	9,313,620	1,872,659	509,303
Idaho	7,254,342	13,352,667	4,200,431	942,261
Oregon	36,823,817	51,817,945	18,760,367	5,515,977
Washington	1,882,453	8,923,944	32,734,271	14,653,114

TABLE 9C.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Other practitioner	Outpatient hospital	Clinic	Laboratory and X-ray
United States	195,196,081	1,102,136,919	321,836,477	121,245,611
Region I:				
Boston	12,730,767	88,257,879	24,430,636	7,603,081
Connecticut	3,041,789	17,033,844	8,520,462	1,342,002
Maine	1,340,137	6,289,577	1,150,311	49,765
Massachusetts	6,852,938	54,296,082	13,720,163	5,135,559
New Hamsphire	553,051	2,138,454	995,158	127,825
Rhode Island	508,529	6,333,871	...	354,803
Vermont	434,323	2,166,051	44,542	593,127
Region II:				
New York	19,635,956	369,578,885	123,124,334	22,226,522
New Jersey	5,696,291	41,539,298	5,013,042	3,682,624
New York	13,939,665	257,433,309	118,111,292	18,541,122
Puerto Rico	...	70,097,737	...	...
Virgin Islands	...	508,541	...	2,776
Region III:				
Philadelphia	9,701,602	97,923,243	21,672,079	7,342,643
Delaware	199,588	3,099,049	71,686	296,411
District of Columbia	1,316,369	16,559,758	1,587,831	789,620
Maryland	2,542,640	31,265,683	...	1,060,183
Pennsylvania	4,378,686	25,188,163	15,984,105	4,842,571
Virginia	186,863	18,221,925	3,687,152	248,763
West Virginia	1,077,456	3,588,665	341,305	105,095
Region IV:				
Atlanta	8,667,137	112,377,223	36,411,200	10,124,263
Alabama	114,735	11,568,775	...	3,747,015
Florida	978,746	22,619,368	...	317,806
Georgia	2,067,994	18,444,598	7,805,202	483,309
Kentucky	1,335,127	13,900,927	10,087,571	140,617
Mississippi	873,871	7,383,651	88,235	412,120
North Carolina	1,675,648	14,882,217	9,383,385	2,074,091
South Carolina	1,016,496	8,383,209	...	250,543
Tennessee	604,520	15,194,478	9,046,807	2,698,762
Region V:				
Chicago	48,013,423	159,075,608	68,930,227	23,801,813
Illinois	11,579,391	44,857,105	41,046,969	7,578,102
Indiana	1,677,971	7,141,128	636,817	703,247
Michigan	8,267,961	23,334,114	1,280,185	13,473,797
Minnesota	3,944,917	12,908,874	666,599	225,061
Ohio	9,623,227	50,588,168	4,065,540	1,479,053
Wisconsin	12,919,956	20,246,219	21,234,117	342,553
Region VI:				
Dallas	9,448,179	44,273,966	7,567,222	11,172,058

TABLE 9C.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Other practitioner	Outpatient hospital	Clinic	Laboratory and X-ray
Arkansas	1,109,127	6,584,140	921,027	324,074
Louisiana	344,371	12,545,749	5,856,688	741,777
New Mexico	794,114	4,041,767	639,380	281,054
Oklahoma	294,966	975,993	....	2,147,598
Texas	6,950,601	20,126,317	150,127	7,677,555
Region VII:				
Kansas City	8,647,820	28,165,550	12,805,649	2,939,300
Iowa	2,514,953	5,956,356	723,022	187,526
Kansas	1,952,802	5,394,405	5,619,349	1,724,959
Missouri	3,217,203	14,525,448	4,993,569	694,824
Nebraska	962,862	2,289,341	1,469,709	331,991
Region VIII:				
Denver	4,415,152	13,327,953	7,223,856	1,635,002
Colorado	1,802,327	8,031,811	5,877,821	633,731
Montana	1,011,244	1,423,582	319,336	123,227
North Dakota	656,801	726,470	384,805	106,934
South Dakota	217,051	968,061	284,419	186,069
Utah	649,258	1,764,753	357,475	566,554
Wyoming	78,471	413,276	....	18,487
Region IX:				
San Francisco	66,251,702	167,874,457	18,901,285	27,647,476
California	64,882,462	163,327,231	18,690,876	26,167,862
Hawaii	992,351	3,583,689	195,586	1,388,590
Nevada	376,889	963,537	14,823	91,024
Region X:				
Seattle	7,684,343	21,282,155	769,989	6,753,453
Alaska	237,756	787,811	106,507	5,724
Idaho	105,901	1,841,620	23,098	1,051,444
Oregon	2,211,328	6,537,168	....	2,749,871
Washington	5,129,358	12,115,556	640,384	2,946,414

TABLE 9D.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Home health	Prescribed drugs	Family planning	Other care
United States	331,842,248	1,321,205,480	80,527,947	441,072,641
Region I:				
Boston	18,680,571	73,177,410	5,062,988	26,444,256
Connecticut	4,086,848	15,392,965	182,038	5,272,411
Maine	1,085,073	8,212,743	151,706	3,730,775
Massachusetts	11,553,904	34,651,079	3,738,607	14,722,598

TABLE 9D.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Home health	Prescribed drugs	Family planning	Other care
New Hampshire	638,186	3,364,872	157,881	654,984
Rhode Island	257,666	8,087,475	357,207	1,490,087
Vermont	1,058,894	3,468,276	475,569	573,401
Region II:				
New York	265,461,329	163,269,464	19,083,938	116,036,323
New Jersey	9,219,632	42,945,161	3,873,800	11,616,768
New York	256,241,697	120,136,947	15,199,188	104,311,180
Puerto Rico				
Virgin Islands		187,356	10,950	108,375
Region III:				
Philadelphia	7,470,151	117,586,426	6,117,871	28,826,512
Delaware	337,801	2,045,679	925,920	114,100
District of Columbia	2,781,475	5,732,398	511,207	5,647,954
Maryland	879,068	16,264,300		1,049,270
Pennsylvania	1,981,026	58,761,465	2,607,656	9,048,968
Virginia	1,355,747	23,949,898	1,791,147	10,397,663
West Virginia	135,034	10,832,686	281,941	2,568,557
Region IV:				
Atlanta	14,223,941	237,136,476	11,914,524	29,379,431
Alabama	1,493,897	19,983,722	683,131	2,030,428
Florida	923,064	38,149,562	809,397	5,434,278
Georgia	2,662,569	45,888,132	2,070,518	7,997,534
Kentucky	4,098,288	14,922,219	2,439,652	2,819,518
Mississippi	769,776	26,855,170	1,638,594	1,594,853
North Carolina	1,377,302	32,400,633	1,799,835	3,499,517
South Carolina	1,205,408	17,962,585	1,681,331	3,190,037
Tennessee	1,693,637	40,974,453	792,066	2,813,266
Region V:				
Chicago	14,126,744	295,496,032	13,053,224	61,442,344
Illinois	2,747,365	92,142,232		10,957,586
Indiana	1,407,111	26,530,358	893,658	5,893,107
Michigan	2,917,798	69,755,452	7,810,148	9,869,154
Minnesota	2,754,977	23,011,685	1,874,336	16,428,319
Ohio	958,315	47,953,068	939,929	8,908,883
Wisconsin	3,314,178	36,103,237	1,535,153	9,385,295
Region VI:				
Dallas	2,252,744	144,791,770	6,902,780	43,112,913
Arkansas	257,714	21,445,199	1,295,159	5,408,929
Louisiana	477,092	45,205,390	1,324,616	5,990,245
New Mexico	466,898	5,293,736	103,024	1,438,989
Oklahoma	5,440	8,620,731	323,816	21,725,716
Texas	1,045,600	64,226,714	3,856,165	8,549,034

TABLE 9D.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Home health	Prescribed drugs	Family planning	Other care
Region VII:				
Kansas City	2,664,397	60,219,253	3,789,799	5,686,532
Iowa	569,510	13,915,936	1,368,891	2,149,462
Kansas	654,549	13,021,467	885,535	1,110,648
Missouri	768,809	25,516,437	1,040,822	1,671,221
Nebraska	671,529	7,765,413	494,551	755,201
Region VIII:				
Denver	1,194,460	22,125,199	1,288,366	4,659,539
Colorado	686,954	10,827,473	504,359	1,746,127
Montana	317,259	2,880,440	152,858	1,237,100
North Dakota	45,203	2,696,522	56,409	339,223
South Dakota	15,648	1,919,874	139,985	425,891
Utah	114,469	3,796,419	369,464	861,404
Wyoming	14,927	4,471	65,291	49,794
Region IX:				
San Francisco	3,427,252	178,927,242	10,375,949	97,706,640
California	2,832,348	172,486,642	9,312,503	95,687,530
Hawaii	298,228	4,738,327	833,483	1,174,167
Nevada	296,676	1,702,273	229,963	844,943
Region X:				
Seattle	2,340,659	28,476,208	2,938,508	27,778,151
Alaska	16,587	....	37,879	741,149
Idaho	182,894	2,222,144	285,960	1,783,708
Oregon	208,818	8,786,691	1,371,637	4,138,039
Washington	1,932,360	17,485,373	1,243,032	21,115,255

TABLE 10A.—MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBILITY OF RECIPIENT AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Total payments	Age 65 and over	Blindness	Permanent and totally disabled
United States	23,301,072,045	8,686,661,597	142,910,237	7,014,942,703
Region I:				
Boston	1,781,795,119	788,925,772	14,417,657	528,037,435
Connecticut	349,673,332	158,150,528	762,546	99,443,655
Maine	131,319,771	17,441,891	389,757	36,501,250
Massachusetts	1,009,262,162	467,087,815	11,352,765	301,052,398
New Hampshire	71,894,256	43,960,210	1,191,007	14,538,044
Rhode Island	160,378,523	79,087,969	581,559	55,982,993
Vermont	59,267,075	23,197,359	140,023	20,519,095
Region II:				
New York	5,399,697,566	2,160,623,165	22,245,884	1,221,164,713

TABLE 10A.—MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBILITY OF RECIPIENT AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total payments	Age 65 and over	Blindness	Permanent and totally disabled
New Jersey	755,928,888	277,554,978	1,760,837	194,056,012
New York	4,542,635,370	1,882,763,371	20,373,720	1,022,601,733
Puerto Rico	99,555,685	....	105,634	4,411,714
Virgin Islands	1,577,623	304,816	5,693	95,254
Region III:				
Philadelphia	2,054,051,234	712,853,471	9,109,792	629,719,503
Delaware	45,250,234	14,588,382	129,998	14,205,299
District of Columbia	168,475,960	36,102,334	249,937	55,595,539
Maryland	319,577,879	114,363,864	539,901	69,342,219
Pennsylvania	1,058,194,477	366,576,475	5,673,683	357,681,787
Virginia	358,961,768	151,160,884	2,047,633	110,774,641
West Virginia	103,590,916	30,061,532	486,640	22,120,018
Region IV:				
Atlanta	2,664,318,779	1,090,675,134	21,664,265	882,343,132
Alabama	263,459,809	124,802,265	1,522,127	75,510,490
Florida	392,017,997	171,174,259	2,367,732	118,120,711
Georgia	462,444,432	169,898,866	3,719,072	187,196,060
Kentucky	295,606,715	95,508,382	2,165,556	100,682,053
Mississippi	211,044,459	102,739,625	1,548,260	50,300,446
North Carolina	401,066,128	157,179,063	5,310,834	132,981,176
South Carolina	259,172,262	121,539,102	2,173,287	76,290,342
Tennessee	379,506,977	147,833,572	2,857,397	141,261,854
Region V:				
Chicago	4,703,498,457	1,494,150,839	19,914,499	1,645,492,331
Illinois	1,191,914,747	240,591,822	2,940,350	464,774,570
Indiana	354,228,096	150,751,550	2,636,108	133,261,735
Michigan	1,071,680,997	277,148,069	3,590,949	355,052,324
Minnesota	590,361,587	271,109,058	2,464,893	206,118,632
Ohio	809,431,930	272,012,166	4,190,221	261,844,495
Wisconsin	685,881,100	282,538,174	4,091,978	224,440,575
Region VI:				
Dallas	1,966,437,189	902,092,224	11,997,712	651,015,590
Arkansas	234,660,263	99,542,716	2,472,963	81,271,245
Louisiana	415,232,001	175,242,070	2,485,442	147,726,249
New Mexico	70,257,232	18,412,803	883,616	27,104,619
Oklahoma	265,433,438	114,392,810	653,333	80,974,590
Texas	980,854,255	494,501,825	5,502,358	313,938,887
Region VII:				
Kansas City	835,836,265	334,942,385	6,631,384	253,733,516
Iowa	230,231,390	94,614,437	1,432,028	69,176,262
Kansas	201,771,290	69,489,808	741,442	65,801,068
Missouri	295,051,588	122,742,623	3,705,293	82,992,477
Nebraska	108,781,997	48,095,517	752,621	35,763,709

TABLE 10A.—MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBILITY OF RECIPIENT AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total payments	Age 65 and over	Blindness	Permanent and totally disabled
Region VIII:				
Denver	439,713,617	189,490,419	2,700,319	142,685,884
Colorado	181,712,992	75,385,009	1,727,231	60,611,745
Montana	62,339,140	26,975,311	524,959	21,908,599
North Dakota	46,741,977	27,782,230	70,483	7,683,051
South Dakota	54,906,601	26,210,340	176,396	19,525,395
Utah	79,564,611	25,688,578	179,798	29,862,550
Wyoming	14,448,296	7,448,951	21,452	3,094,544
Region IX:				
San Francisco	2,869,204,878	799,779,533	28,553,679	887,203,657
California	2,728,153,733	747,283,804	27,611,692	848,160,686
Hawaii	96,161,524	34,366,174	203,681	21,915,286
Nevada	44,889,621	18,129,555	738,306	17,127,685
Region X:				
Seattle	586,518,941	213,128,655	5,675,046	173,546,942
Alaska	26,663,196	7,329,020	190,291	12,678,835
Idaho	51,972,100	19,739,402	79,063	19,099,813
Oregon	178,936,582	55,240,919	4,201,372	54,172,773
Washington	328,947,063	130,819,314	1,204,320	87,595,521

TABLE 10B.—MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBLITY OF RECIPIENT AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Total payments	Dependent children under 21	Adults in families with dependent children	Other title XIX recipients
United States	23,301,072,045	3,170,226,734	3,272,432,029	913,898,745
Region I:				
Boston	1,781,795,119	205,188,716	213,635,097	31,590,442
Connecticut	349,673,332	53,430,017	37,758,403	128,183
Maine	131,319,771	38,845,938	36,197,534	1,943,401
Massachusetts	1,009,262,162	87,839,323	113,903,252	28,026,609
New Hampshire	71,894,256	4,788,535	7,239,949	176,511
Rhode Island	160,378,523	12,115,226	12,083,193	527,583
Vermont	59,267,075	8,169,677	6,452,766	788,155
Region II:				
New York	5,399,697,566	766,007,875	691,319,648	538,336,281
New Jersey	755,928,888	122,222,779	114,419,060	45,915,216
New York	4,542,635,370	621,759,588	555,491,623	439,645,335
Puerto Rico	99,555,685	21,424,433	20,954,124	52,659,780
Virgin Islands	1,577,623	601,075	454,835	115,950

TABLE 10B.—MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBLITY OF RECIPIENT AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total payments	Dependent children under 21	Adults in families with dependent children	Other title XIX recipients
Region III:				
Philadelphia	2,054,051,234	357,506,749	310,218,636	34,643,083
Delaware	45,250,234	7,402,449	8,177,886	746,220
District of Columbia	168,475,960	38,018,291	38,419,989	89,870
Maryland	319,577,879	75,669,540	59,662,355	....
Pennsylvania	1,058,194,477	175,205,615	134,906,487	18,150,430
Virginia	358,961,768	41,779,506	49,134,066	4,065,038
West Virginia	103,590,916	19,431,348	19,917,853	11,591,525
Region IV:				
Atlanta	2,664,318,779	313,189,383	333,352,696	23,094,169
Alabama	263,459,809	27,755,549	33,869,378	....
Florida	392,017,997	51,416,223	48,939,072	....
Georgia	462,444,432	46,161,974	54,366,308	1,102,152
Kentucky	295,606,715	42,549,739	50,879,156	3,821,829
Mississippi	211,044,459	34,154,197	22,057,482	244,449
North Carolina	401,066,128	41,733,712	53,297,576	10,563,767
South Carolina	259,172,262	20,742,627	36,222,941	2,203,963
Tennessee	379,506,977	48,675,362	33,720,783	5,158,009
Region V:				
Chicago	4,703,498,457	692,191,004	795,536,912	56,212,872
Illinois	1,191,914,747	249,032,924	228,076,313	6,498,768
Indiana	354,228,096	21,800,220	45,778,483	....
Michigan	1,071,680,997	172,506,806	253,443,863	9,938,986
Minnesota	590,361,587	39,067,979	46,117,642	25,483,383
Ohio	809,431,930	117,763,633	153,621,415	....
Wisconsin	685,881,100	92,019,442	68,499,196	14,291,735
Region VI:				
Dallas	1,966,437,189	197,531,062	191,013,576	12,787,025
Arkansas	234,660,263	20,392,975	21,143,939	9,836,425
Louisiana	415,232,001	50,060,218	37,776,448	1,941,574
New Mexico	70,257,232	11,454,813	11,492,305	909,076
Oklahoma	265,433,438	45,584,988	23,727,767	99,950
Texas	980,854,255	70,038,068	96,873,117	....
Region VII:				
Kansas City	835,836,265	102,219,373	112,697,395	26,612,212
Iowa	230,231,390	27,476,934	32,306,254	5,225,475
Kansas	201,771,290	25,555,560	22,257,402	17,926,010
Missouri	295,051,588	38,249,733	47,171,573	189,889
Nebraska	108,781,997	10,937,146	10,962,166	2,270,838

TABLE 10B.—MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBLITY OF RECIPIENT AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total payments	Dependent children under 21	Adults in families with dependent children	Other title XIX recipients
Region VIII:				
Denver	439,713,617	37,534,496	50,832,227	16,470,272
Colorado	181,712,992	15,523,284	22,100,405	6,365,318
Montana	62,339,140	4,853,700	7,260,321	816,250
North Dakota	46,741,977	4,893,132	4,894,783	1,418,288
South Dakota	54,906,601	4,399,016	4,271,260	324,194
Utah	79,564,611	5,899,673	10,387,790	7,546,222
Wyoming	14,448,296	1,965,691	1,917,658	
Region IX:				
San Francisco	2,869,204,878	430,499,207	584,960,228	138,208,574
California	2,728,153,733	410,264,901	560,010,390	134,822,260
Hawaii	96,161,524	16,783,076	20,224,481	2,668,826
Nevada	44,889,621	3,451,230	4,725,357	717,488
Region X:				
Seattle	586,518,941	68,358,869	88,865,614	36,943,815
Alaska	26,663,196	3,766,669	2,356,206	342,175
Idaho	51,972,100	6,901,042	5,788,932	363,848
Oregon	178,936,582	16,769,652	30,072,951	18,478,915
Washington	328,947,063	40,921,506	50,647,525	17,758,877

TABLE 11A.—MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Total recipients	Age 65 and over	Blindness	Permanent and totally disabled
United States	21,604,387	3,416,381	92,313	2,723,532
Region I:				
Boston	1,363,547	252,414	8,872	139,735
Connecticut	216,570	31,750	194	21,690
Maine	145,608	22,402	270	16,678
Massachusetts	774,913	154,408	7,650	88,607
New Hampshire	44,859	9,523	367	4,494
Rhode Island	127,800	25,512	283	11,653
Vermont	53,797	8,819	108	6,613
Region II:				
New York	4,363,716	376,733	5,433	336,339
New Jersey	676,260	62,412	1,061	60,748
New York	2,288,073	313,008	3,821	240,076
Puerto Rico	1,386,103		543	35,277
Virgin Islands	13,280	1,313	8	238

TABLE 11A.—MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Age 65 and over	Blindness	Permanent and totally disabled
Region III:				
Philadelphia	2,188,770	269,246	6,016	262,675
Delaware	49,205	4,675	131	4,904
District of Columbia	126,691	11,564	107	13,508
Maryland	312,538	39,647	361	34,393
Pennsylvania	1,250,560	127,720	3,619	140,567
Virginia	320,420	65,012	1,405	46,218
West Virginia	129,356	20,628	393	23,085
Region IV:				
Atlanta	3,040,732	707,967	19,609	529,498
Alabama	324,364	91,784	1,759	56,973
Florida	500,652	116,833	2,576	92,587
Georgia	430,255	101,604	2,878	89,175
Kentucky	410,248	73,746	2,400	64,353
Mississippi	306,879	82,009	1,457	33,682
North Carolina	376,656	79,741	2,703	53,419
South Carolina	337,304	78,097	2,504	61,801
Tennessee	354,374	84,153	3,332	77,508
Region V:				
Chicago	3,785,842	456,042	8,823	472,761
Illinois	1,048,621	80,991	1,569	136,732
Indiana	205,278	33,898	923	27,774
Michigan	973,443	94,050	1,741	108,855
Minnesota	325,359	53,580	812	37,776
Ohio	808,638	126,447	2,842	114,603
Wisconsin	424,503	67,076	936	47,021
Region VI:				
Dallas	1,616,932	475,153	7,910	248,012
Arkansas	222,459	63,211	1,562	40,562
Louisiana	365,238	99,545	1,674	62,884
New Mexico	87,862	12,120	408	14,378
Oklahoma	253,647	53,970	472	25,389
Texas	687,726	246,307	3,794	104,799
Region VII:				
Kansas City	720,176	139,406	4,637	79,936
Iowa	178,429	32,518	960	17,335
Kansas	148,962	22,425	351	13,450
Missouri	321,485	68,880	3,095	40,192
Nebraska	71,300	15,583	231	8,959
Region VIII:				
Denver	321,769	66,288	1,327	38,513
Colorado	141,271	32,896	237	17,321
Montana	45,818	7,415	816	6,300
North Dakota	31,387	8,000	42	3,020

TABLE 11A.—MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Age 65 and over	Blindness	Permanent and totally disabled
South Dakota	34,866	8,243	127	4,426
Utah	57,376	7,790	80	6,348
Wyoming	11,051	1,944	25	1,098
Region IX:				
San Francisco	3,549,523	583,938	23,540	541,371
California	3,417,680	566,580	23,020	530,120
Hawaii	106,641	11,354	149	7,184
Nevada	25,202	6,004	371	4,067
Region X:				
Seattle	653,380	89,194	6,146	74,692
Alaska	17,156	1,828	58	2,157
Idaho	43,984	6,829	92	5,788
Oregon	277,083	32,144	1,758	26,068
Washington	315,157	48,393	4,238	40,679

TABLE 11B.—MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Total recipients	Dependent children under 21	Adults in families with dependent children	Other title XIX recipients
United States	21,604,387	9,285,461	4,774,245	1,507,390
Region I:				
Boston	1,363,547	593,122	271,115	80,057
Connecticut	216,570	114,554	47,986	390
Maine	145,608	69,246	34,178	2,554
Massachusetts	774,913	313,832	146,624	73,792
New Hampshire	44,859	22,234	7,504	737
Rhode Island	127,800	46,400	22,418	1,534
Vermont	53,797	26,856	12,405	1,050
Region II:				
New York	4,363,716	1,797,549	940,831	906,831
New Jersey	676,260	365,463	169,146	17,430
New York	2,288,073	1,019,917	479,660	231,591
Puerto Rico	1,386,103	405,470	289,404	655,409
Virgin Islands	13,280	6,699	2,621	2,401
Region III:				
Philadelphia	2,188,770	1,065,882	533,666	67,336
Delaware	49,205	25,671	12,933	2,370
District of Columbia	126,691	67,618	33,286	608
Maryland	312,538	164,457	73,680	....

TABLE 11B.—MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Dependent children under 21	Adults in families with dependent children	Other title XIX recipients
Pennsylvania	1,250,560	613,605	307,704	57,345
Virginia	320,420	141,283	72,581	7,013
West Virginia	129,356	53,248	33,482	....
Region IV:				
Atlanta	3,040,732	1,222,680	534,789	17,013
Alabama	324,364	116,347	57,501	....
Florida	500,652	199,003	90,653	....
Georgia	430,255	169,894	54,123	2,405
Kentucky	410,248	176,997	92,752	....
Mississippi	306,879	143,668	45,221	842
North Carolina	376,656	157,737	77,836	5,220
South Carolina	337,304	120,992	68,637	5,273
Tennessee	354,374	138,042	48,066	3,273
Region V:				
Chicago	3,785,842	1,885,430	966,895	44,251
Illinois	1,048,621	584,114	235,857	9,358
Indiana	205,278	84,169	58,514	....
Michigan	973,443	493,953	266,830	8,014
Minnesota	325,359	122,121	91,429	19,641
Ohio	808,638	392,007	221,099	....
Wisconsin	424,503	209,066	93,166	7,238
Region VI:				
Dallas	1,616,932	631,314	267,290	21,496
Arkansas	222,459	74,830	32,950	14,856
Louisiana	365,238	139,902	56,482	4,751
New Mexico	87,862	41,658	17,546	1,752
Oklahoma	253,647	127,689	45,990	137
Texas	687,726	247,235	114,322	....
Region VII:				
Kansas City	720,176	309,447	164,552	30,752
Iowa	178,429	83,333	46,691	6,146
Kansas	148,962	61,864	29,341	21,531
Missouri	321,485	135,168	73,571	579
Nebraska	71,300	29,082	14,949	2,496
Region VIII:				
Denver	321,769	140,750	76,844	15,140
Colorado	141,271	63,004	34,443	6,775
Montana	45,818	18,871	10,236	1,766
North Dakota	31,387	12,086	6,089	1,950
South Dakota	34,866	14,829	6,325	916
Utah	57,376	26,210	17,517	3,733
Wyoming	11,051	5,750	2,234	....

TABLE 11B.—MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Dependent children under 21	Adults in families with dependent children	Other title XIX recipients
Region IX:				
San Francisco	3,549,523	1,359,470	850,384	258,377
California	3,417,680	1,298,820	818,640	246,620
Hawaii	106,641	51,236	26,209	10,509
Nevada	25,202	9,414	5,535	1,248
Region X:				
Seattle	653,380	279,817	167,879	66,137
Alaska	17,156	8,622	3,560	931
Idaho	43,984	23,039	9,443	1,122
Oregon	277,083	106,267	75,075	35,771
Washington	315,157	141,889	79,801	28,313

TABLE 12.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Total recipients	Age 65 and over	Blindness	Permanent and totally disabled	Dependent children under 21	Adults in families with dependent children
United States	16,312,485	2,046,783	76,470	2,123,681	8,003,845	4,070,273
Region I:						
Boston	1,002,608	111,836	6,273	109,778	528,806	242,971
Connecticut	160,628	4,711	80	6,706	105,495	43,636
Maine	97,031	10,901	257	11,459	50,669	23,745
Massachusetts	580,361	84,460	5,508	61,678	292,200	136,515
New Hampshire	30,696	1,924	175	2,570	19,372	6,655
Rhode Island	94,190	5,401	156	22,224	44,386	22,023
Vermont	39,702	4,439	97	5,141	19,684	10,397
Region II:						
New York	2,389,147	207,873	4,360	243,178	1,277,557	656,179
New Jersey	607,526	35,530	999	53,387	351,631	165,979
New York	1,637,621	172,029	3,203	178,186	846,225	437,978
Puerto Rico	139,996	....	154	11,410	77,250	51,182
Virgin Islands	4,004	314	4	195	2,451	1,040
Region III:						
Philadelphia	1,771,479	148,970	4,880	218,480	918,804	481,705
Delaware	44,372	3,350	130	4,421	24,603	12,067
District of Columbia	110,444	7,391	97	10,462	61,519	30,975
Maryland	256,650	18,462	330	28,740	141,048	68,070
Pennsylvania	989,711	67,891	2,876	120,855	518,436	279,673

TABLE 12.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Age 65 and over	Blindness	Permanent and totally disabled	Dependent children under 21	Adults in families with dependent children
Virginia	259,879	35,674	1,066	33,556	127,045	63,679
West Virginia	110,423	16,202	381	20,446	46,153	27,241
Region IV:						
Atlanta	2,628,156	539,357	17,178	472,303	1,101,407	499,047
Alabama	306,620	78,116	1,739	54,946	116,025	55,794
Florida	454,434	91,423	2,537	88,618	185,344	86,512
Georgia	389,914	75,464	2,755	81,720	158,954	72,157
Kentucky	320,809	56,144	2,322	57,766	134,896	69,681
Mississippi	252,742	60,001	1,244	20,774	129,824	40,899
North Carolina	302,461	54,343	2,408	42,449	136,744	66,517
South Carolina	307,282	60,856	2,405	59,088	118,190	66,743
Tennessee	293,894	63,010	1,768	66,942	121,430	40,744
Region V:						
Chicago	3,139,928	149,079	6,371	278,250	1,789,551	918,183
Illinois	859,809	13,888	770	55,188	564,530	225,433
Indiana	160,490	9,645	657	12,215	80,976	56,997
Michigan	884,115	50,068	1,605	83,351	488,688	260,403
Minnesota	245,778	13,096	603	23,505	119,628	88,946
Ohio	681,859	36,439	1,828	68,691	371,503	204,804
Wisconsin	307,877	25,943	908	35,300	164,126	81,600
Region VI:						
Dallas	1,405,349	351,451	7,653	219,537	582,870	244,767
Arkansas	183,631	46,687	1,478	34,674	71,263	30,458
Louisiana	326,233	81,296	1,629	57,886	132,844	52,578
New Mexico	81,242	9,701	403	14,032	40,386	16,720
Oklahoma	204,140	39,783	448	18,693	105,303	39,913
Texas	610,103	173,984	3,695	94,252	233,074	105,098
Region VII:						
Kansas City	562,773	66,602	3,401	45,286	293,784	154,899
Iowa	152,609	13,628	813	14,914	79,537	44,916
Kansas	94,142	8,026	234	8,907	53,231	23,744
Missouri	260,979	38,641	2,158	14,518	133,385	72,277
Nebraska	55,043	6,307	196	6,947	27,631	13,962
Region VIII:						
Denver	271,490	44,233	544	29,615	127,823	69,569
Colorado	137,747	31,579	210	14,932	58,671	32,355
Montana	31,850	2,398	107	4,357	16,215	8,772
North Dakota	18,326	2,416	24	1,508	9,467	4,911
South Dakota	28,642	4,224	125	3,802	14,374	6,117
Utah	44,897	2,556	53	4,019	23,359	15,205
Wyoming	10,028	1,060	25	997	5,737	2,209

TABLE 12.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Age 65 and over	Blindness	Permanent and totally disabled	Dependent children under 21	Adults in families with dependent children
Region IX:						
San Francisco	2,633,346	391,663	21,498	455,979	1,118,455	645,876
California	2,531,980	383,120	21,060	447,720	1,062,640	617,440
Hawaii	80,219	5,114	119	4,970	46,804	23,212
Nevada	21,147	3,429	319	3,289	9,011	5,224
Region X:						
Seattle	508,209	35,719	4,412	51,275	264,788	157,077
Alaska	16,225	1,828	58	2,157	8,622	3,560
Idaho	35,157	1,947	31	2,449	22,086	9,095
Oregon	202,779	9,665	1,160	15,335	103,499	73,120
Washington	254,048	22,279	3,163	31,334	130,581	71,302

TABLE 13A.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO DO NOT RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Total recipients	Age 65 and over	Blindness	Permanent and totally disabled
United States	1,546,696	588,179	7,539	222,503
Region I:				
Boston	65,651	28,506	241	10,602
Connecticut				
Maine	28,860	9,760	9	3,519
Massachusetts				
New Hampshire	8,155	5,417	130	1,081
Rhode Island	15,189	10,181	92	4,916
Vermont	13,447	3,148	10	1,086
Region II:				
New York	297,731	26,883	451	16,578
New Jersey	68,734	26,882	62	7,361
New York				
Puerto Rico	228,707		389	9,217
Virgin Islands	290	1		
Region III:				
Philadelphia	120,903	17,764	38	8,320
Delaware	6,066	1,325	1	483
District of Columbia	1,830	21		457
Maryland				
Pennsylvania	96,803	12,368	7	5,684
Virginia	6,823	3,875	28	770
West Virginia	9,381	175	2	926

TABLE 13A.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO DO NOT RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Age 65 and over	Blindness	Permanent and totally disabled
Region IV:				
Atlanta	239,830	110,872	2,110	30,840
Alabama	17,744	13,668	20	2,027
Florida	46,218	25,410	39	2,969
Georgia	50,509	26,140	123	7,455
Kentucky	2,953	2,318	18	617
Mississippi	54,137	22,008	213	12,908
North Carolina	21,757	3,366	61	2,030
South Carolina	30,022	17,241	99	2,713
Tennessee	16,490	721	1,537	121
Region V:				
Chicago	328,632	169,080	1,387	76,986
Illinois	...	...	...	...
Indiana	44,788	24,253	266	15,559
Michigan	...	...	...	...
Minnesota	24,243	18,020	90	5,975
Ohio	172,582	90,008	1,014	45,912
Wisconsin	87,019	36,799	17	9,540
Region VI:				
Dallas	199,883	114,759	236	22,258
Arkansas	20,508	15,165	71	3,283
Louisiana	28,978	17,565	45	3,383
New Mexico	6,620	2,419	5	346
Oklahoma	37,423	7,287	16	4,699
Texas	106,354	72,323	99	10,547
Region VII:				
Kansas City	97,467	49,129	1,084	28,097
Iowa	32,573	18,890	147	2,421
Kansas	2,398	...	...	2
Missouri	60,506	30,239	937	25,674
Nebraska	1,990	...	...	...
Region VIII:				
Denver	49,525	16,362	758	6,518
Colorado	16,929	1,317	27	2,389
Montana	12,200	4,267	705	1,347
North Dakota	6,467	3,905	8	939
South Dakota	6,224	4,019	2	624
Utah	6,682	1,970	16	1,118
Wyoming	1,023	884	...	101
Region IX:				
San Francisco	38,615	8,990	104	4,107
California	26,100	3,620	40	2,540
Hawaii	7,202	2,795	12	789
Nevada	5,313	2,575	52	778

TABLE 13A.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO DO NOT RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Age 65 and over	Blindness	Permanent and totally disabled
Region X:				
Seattle	108,459	45,834	1,130	18,197
Alaska	931			
Idaho	10,529	4,882	61	3,339
Oregon	74,304	22,479	598	10,733
Washington	22,695	18,473	471	4,125

TABLE 13B.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO DO NOT RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Total recipients	Dependent children under 21	Adults in families with dependent children	Other title XIX recipients
United States	1,546,696	379,200	200,551	151,616
Region I:				
Boston	65,651	20,715	2,077	3,604
Connecticut				
Maine	28,860	12,980	38	2,554
Massachusetts				
New Hampshire	8,155	1,236	291	
Rhode Island	15,189			
Vermont	13,447	6,499	1,748	1,050
Region II:				
New York	297,731	141,096	95,293	17,430
New Jersey	68,734	13,832	3,167	17,430
New York				
Puerto Rico	228,707	126,978	92,123	
Virgin Islands	290	286	3	
Region III:				
Philadelphia	120,903	22,201	14,327	58,320
Delaware	6,066	1,069	866	2,370
District of Columbia	1,830	511	233	608
Maryland				
Pennsylvania	96,803	15,279	8,579	54,886
Virginia	6,823	1,072	641	456
West Virginia	9,381	4,270	4,008	
Region IV:				
Atlanta	239,830	61,049	22,864	12,263
Alabama	17,744	322	1,707	

TABLE 13B.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO DO NOT RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Dependent children under 21	Adults in families with dependent children	Other title XIX recipients
Florida	46,218	13,659	4,141	
Georgia	50,509	10,940	3,614	2,405
Kentucky	2,953			
Mississippi	54,137	13,844	4,322	842
North Carolina	21,757	9,001	3,556	3,743
South Carolina	30,022	2,802	1,894	5,273
Tennessee	16,490	0,481	3,630	
Region V:				
Chicago	328,632	56,043	26,456	831
Illinois				
Indiana	44,788	3,193	1,517	
Michigan				
Minnesota	24,243	83	75	
Ohio	172,582	20,504	16,295	
Wisconsin	87,019	32,263	7,569	831
Region VI:				
Dallas	199,883	42,021	16,867	3,886
Arkansas	20,508			2,133
Louisiana	28,978	5,302	2,683	
New Mexico	6,620	1,272	826	1,752
Oklahoma	37,423	21,286	4,134	1
Texas	106,354	14,161	9,224	
Region VII:				
Kansas City	97,467	8,382	4,627	6,750
Iowa	32,573	3,796	1,775	6,146
Kansas	2,398	1,588	808	
Missouri	60,506	1,783	1,294	579
Nebraska	1,990	1,215	750	25
Region VIII:				
Denver	49,525	10,549	5,916	9,457
Colorado	16,929	4,333	2,088	6,775
Montana	12,200	2,652	1,464	1,766
North Dakota	6,467	1,014	601	
South Dakota	6,224	455	208	916
Utah	6,682	2,082	1,530	
Wyoming	1,023	13	25	
Region IX:				
San Francisco	38,615	13,415	10,805	1,248
California	26,100	10,920	8,980	
Hawaii	7,202	2,092	1,514	
Nevada	5,313	403	311	1,248

TABLE 13B.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO DO NOT RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Dependent children under 21	Adults in families with dependent children	Other title XIX recipients
Region X:				
Seattle	108,459	3,729	2,319	37,827
Alaska	931			931
Idaho	10,529	953	348	1,122
Oregon	74,304	2,768	1,955	35,771
Washington	22,695	8	16	3

TABLE 14A.—MEDICALLY NEEDY MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE; FISCAL YEAR 1980

HHS region and State	Total recipients	Age 65 and over	Blindness	Permanent and totally disabled
United States	3,964,759	781,439	8,202	396,348
Region I:				
Boston	296,887	112,072	2,358	39,355
Connecticut	55,942	27,039	114	14,984
Maine	19,437	1,741		1,700
Massachusetts	194,552	69,948	2,142	16,929
New Hampshire	6,008	2,182	62	843
Rhode Island	18,421	9,930	35	4,513
Vermont	2,527	1,232	1	386
Region II:				
New York	1,676,848	141,977	622	76,583
New Jersey				
New York	650,452	140,979	618	61,890
Puerto Rico	1,017,410			14,650
Virgin Islands	8,986	998	4	43
Region III:				
Philadelphia	310,619	102,532	1,098	35,875
Delaware				
District of Columbia	14,417	4,152	10	2,589
Maryland	55,888	21,185	31	5,653
Pennsylvania	164,046	47,481	736	14,028
Virginia	65,236	25,463	311	11,892
West Virginia	11,032	4,251	10	1,713
Region IV:				
Atlanta	182,914	57,738	321	25,355
Alabama				
Florida				

TABLE 14A.—MEDICALLY NEEDY MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE; FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Age 65 and over	Blindness	Permanent and totally disabled
Georgia				
Kentucky	86,486	15,284	60	5,970
Mississippi				
North Carolina	52,438	22,032	234	8,940
South Carolina				
Tennessee	43,990	20,422	27	10,445
Region V:				
Chicago	363,085	137,883	1,065	117,525
Illinois	188,812	67,103	799	81,544
Indiana				
Michigan	89,328	43,982	136	25,504
Minnesota	55,338	22,464	119	8,296
Ohio				
Wisconsin	29,607	4,334	11	2,181
Region VI:				
Dallas	44,742	8,943	21	6,217
Arkansas	22,631	1,359	13	2,605
Louisiana	10,027	684		1,615
New Mexico				
Oklahoma	12,084	6,900	8	1,997
Texas				
Region VII:				
Kansas City	66,689	23,675	152	6,553
Iowa				
Kansas	52,422	14,399	117	4,541
Missouri				
Nebraska	14,267	9,276	35	2,012
Region VIII:				
Denver	18,032	5,693	25	2,380
Colorado				
Montana	1,768	750	4	596
North Dakota	6,594	1,679	10	573
South Dakota				
Utah	9,670	3,264	11	1,211
Wyoming				
Region IX:				
San Francisco	944,940	183,285	1,938	81,285
California	925,720	179,840	1,920	79,860
Hawaii	19,220	3,445	18	1,425
Nevada				
Region X:				
Seattle	60,013	7,641	602	5,220
Alaska				

TABLE 14A.—MEDICALLY NEEDY MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE; FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Age 65 and over	Blindness	Permanent and totally disabled
Idaho				
Oregon				
Washington	60,013	7,641	602	5,220

TABLE 14B.—MEDICALLY NEEDY MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980

HHS region and State	Total recipients	Dependent children under 21	Adults in families with dependent children	Other title XIX recipients
United States	3,964,759	899,517	525,681	1,355,782
Region I:				
Boston	296,887	40,601	26,065	76,461
Connecticut	55,942	9,059	4,348	398
Maine	19,437	5,597	10,395	
Massachusetts	194,552	21,632	10,109	73,792
New Hampshire	6,008	1,626	558	737
Rhode Island	18,421	2,014	395	1,534
Vermont	2,527	673	260	
Region II:				
New York	1,676,848	378,896	189,359	889,401
New Jersey				
New York	650,452	173,692	41,682	231,591
Puerto Rico	1,017,410	201,242	146,099	655,409
Virgin Islands	8,986	3,962	1,578	2,401
Region III:				
Philadelphia	310,619	124,878	37,634	9,016
Delaware				
District of Columbia	14,417	5,588	2,078	
Maryland	55,888	23,409	5,610	
Pennsylvania	164,046	79,890	19,452	2,459
Virginia	65,236	13,166	8,261	6,557
West Virginia	11,032	2,825	2,233	
Region IV:				
Atlanta	182,914	60,224	34,526	4,750
Alabama				
Florida				
Georgia				
Kentucky	86,486	42,101	23,071	
Mississippi				
North Carolina	52,438	11,992	7,763	1,477
South Carolina				
Tennessee	43,990	6,131	3,692	3,273

TABLE 14B.—MEDICALLY NEEDY MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

HHS region and State	Total recipients	Dependent children under 21	Adults in families with dependent children	Other title XIX recipients
Region V:				
Chicago	363,085	39,936	23,256	43,420
Illinois	188,812	19,584	10,424	9,358
Indiana				
Michigan	89,328	5,265	6,427	8,014
Minnesota	55,338	2,410	2,408	19,641
Ohio				
Wisconsin	29,607	12,677	3,997	6,407
Region VI:				
Dallas	44,742	6,423	5,656	17,610
Arkansas	22,631	3,567	2,492	12,723
Louisiana	10,027	1,756	1,221	4,751
New Mexico				
Oklahoma	12,084	1,100	1,943	136
Texas				
Region VII:				
Kansas City	66,689	7,281	5,026	24,002
Iowa				
Kansas	52,422	7,045	4,789	21,531
Missouri				
Nebraska	14,267	236	237	2,471
Region VIII:				
Denver	18,032	2,378	1,973	5,683
Colorado				
Montana	1,768	4	414	
North Dakota	6,594	1,605	777	1,950
South Dakota				
Utah	9,670	769	782	3,733
Wyoming				
Region IX:				
San Francisco	944,940	227,600	193,703	257,129
California	925,720	225,260	192,220	246,620
Hawaii	19,220	2,340	1,483	10,509
Nevada				
Region X:				
Seattle	60,013	11,300	8,483	28,310
Alaska				
Idaho				
Oregon				
Washington	60,013	11,300	8,483	28,310

9. AID TO FAMILIES WITH DEPENDENT CHILDREN

GENERAL

The aid to families with dependent children program (AFDC) was enacted in 1935 as part of the Social Security Act. The AFDC law authorizes Federal matching funds to assist States in providing assistance, rehabilitation, and other services to needy dependent children and their parents (or caretaker relatives) to help maintain and strengthen family life, and to help parents attain or retain capability for self-support and personal independence.

The AFDC cash assistance program is administered in close conjunction with related programs, all of which are included in title IV of the Social Security Act. These other programs include: child support enforcement, work incentive, child welfare, and foster care and adoption assistance. These programs are described in other parts of this document.

The AFDC rolls decreased in the latter half of the 1970's, but began to climb at the turn of the decade. They have recently decreased again.

Following are recipient caseload data since 1973:

CASELOAD DATA

[In millions]

	Recipients
December:	
1973	10.8
1975	11.4
1977	10.8
1979	10.4
1980	11.1
January: 1982 [1]	10.5

[1] Preliminary.

The AFDC caseload is largely concentrated in relatively few States. California accounts for 13 percent of the caseload; New York for another 10 percent. These two States, plus Illinois, Massachusetts, Michigan, New Jersey, Ohio, and Pennsylvania, make up more than half (55 percent) of the national total. (See table 1.) Expenditures for benefits are similarly concentrated. In 1981, recipients in California received 20 percent of all benefits paid in the United States (from combined Federal, State, and local funds), and recipients in New York received 12 percent of all benefits. Recipients in these two States, plus the six listed above, received 65 percent of the benefits paid to all recipients in the United States in 1981. (See table 2.)

Total expenditures for AFDC benefits grew from $4.0 billion in fiscal year 1970, to $8.4 billion in 1975, $12.0 billion in 1980, and $12.8 billion in 1981.

A number of legislative changes aimed at reducing AFDC expenditures were included in the Omnibus Budget Reconciliation Act of 1981. These amendments defined and limited amounts of earnings that can be "disregarded" in determining benefits. They authorized States to develop a variety of new employment programs for recipients, including community work experience programs, work supplementation programs and Work Incentive demonstration programs. They tightened the eligibility and benefit determination process by requiring States to use retrospective accounting and monthly reporting procedures. In addition, the amendments further limited eligibility and benefit payments by: requiring that a stepparent's income be counted in determining the family's benefit; providing eligibility for a pregnant woman with no other children only beginning with the 6th month of pregnancy; requiring that lump-sum payments be treated as income in the month of receipt and future months; establishing maximum asset limits; requiring that the amount of the earned income tax credit (ETIC) which an individual is eligible to receive on an advance basis be assumed in determining the amount of the benefit, whether or not the EITC is actually received; and requiring States to recover overpayments and pay underpayments. (See table 3.)

ELIGIBILITY

To be eligibile for AFDC, a family must have a child who is in need because at least one parent is deceased, incapacitated, or absent from the home. States, at their option, may also provide benefits for families in which need arises from the parent's unemployment. In December 1980, 25 States plus the District of Columbia and Guam were paying benefits to families with unemployed parents. Since that time four States, Iowa, Missouri, Utah, and Washington, have dropped the UP program. Eligibility ends when the youngest child in the family reaches 18, or, at the option of the States, age 19 if the child is in school and expected to complete his current course of study before his 19th birthday.

Each State establishes its own standard of need—the amount of income which a family may have in order to be eligible for assistance. There is a Federal asset requirement. In determining need, all assets in excess of $1,000 per family must be counted, excluding only the home, a car with an equity value of no more than $1,500, and items the State determines are essential for daily living. The State may choose an asset limitation lower than $1,000. Additionally, when making the initial determination of eligibility, States must disregard child care costs (up to $160 per month per child), and work expenses ($75 per month for full-time employment).

In addition, as a condition of eligibility, individuals may have to meet work requirements (see section on work incentive and other programs), and parents must assign certain rights to child support and alimony to the State and cooperate in locating absent parents (see section on child support enforcement program).

BENEFITS

Each State is free to establish its own payment standards. These must generally be uniform throughout the State for families who are in similar circumstances. A family's benefit is computed by subtracting countable income from the State's payment standard. State payment standards vary greatly. In November 1981, they ranged from a low of $96 in Mississippi to $571 in Alaska for a family of three. Differences are lessened somewhat when AFDC and food stamp benefits are both considered. For a three-person family combined AFDC-food stamp benefits amounted to $279 in Mississippi and $786 in Alaska. (See tables 4 and 5.)

In determining the amount of a recipient's AFDC benefit, Federal law requires that certain amounts of income not be counted. As amended by the Omnibus Budget Reconciliation Act of 1981, the law requires the exclusion of the following amounts: earnings of a full-time student, the first $75 a month of each individual's earnings (less if the work is part-time), costs of child care up to $160 a month per child, plus $30 and one-third of any additional earnings. After the $30 plus one-third disregard has been used in determining a family's benefit for 4 consecutive months, it is discontinued and may not be used again until the family has been off assistance for 12 months.

The new law also requires the family to meet a gross income requirement. Benefits may not be paid if a family's gross income is above 150 percent of the State's standard of need.

Individuals who are eligible for AFDC are also automatically eligible for medicaid benefits.

FINANCING

Since the enactment of the medicaid program in 1965, States have been allowed to use the medicaid matching formula to determine the Federal and State shares of the cost of AFDC benefits. Under the medicaid formula, the Federal share of AFDC benefits is determined in such a way as to provide a higher percentage of Federal matching to States with low per capita incomes, and a lower percentage of Federal matching to States with high per capita incomes. Under the formula, if a State's per capita income is equal to the national average per capita income, the Federal share is 55 percent. If a State's per capita income exceeds the national average, the Federal share is lower, with a statutory minimum of 50 percent. If a State's per capita income is lower than the national average, the Federal share is increased, up to a statutory maximum of 83 percent. At the present time no State is entitled to receive more than 77.36 percent.

The actual formula used in determining the State and Federal share is as follows:

$$\text{State share} = \frac{(\text{State per capita income})^2}{(\text{National per capita income})^2} \times 45 \text{ percent}$$

Federal share = 100 percent minus the State share (with a minimum of 50 percent and a maximum of 83 percent)

Table 3 shows the Federal medical assistance percentages in effect in 1965 and at the current time. As can be seen, the percentages applicable to some States have changed substantially over time, reflecting changes in relative per capita incomes. For example, Louisiana's percentage has dropped from 76.41 in 1965–66 to 66.85 in 1982–83. Virginia's percentage has also dropped by about 10 points. A number of States have had an increase in their Federal share percentage.

Since 1965 the number of States electing to use the medicaid formula has increased steadily. In 1981, only two States elected to use the regular AFDC matching formula, which States may continue to use if it is more advantageous to them. The AFDC formula also includes State per capita income as a factor, but it is more advantageous than the medicaid formula to States which have very low average assistance payments (Texas uses it for this reason). Arizona has not been entitled to use the medicaid formula for its AFDC program because it has not had a medicaid program.

In recent years, the national average contribution by the Federal Government has been 54 percent. The remainder is paid by the States. (Eleven States require some local contribution to pay the State share.)

AFDC administrative costs are shared equally by the Federal and State governments. Costs of the AFDC emergency assistance program, which is optional with the States, are also shared equally.

Puerto Rico, Guam and the Virgin Islands receive 75 percent Federal matching for their AFDC programs. However, they are subject to maximum Federal funding limitations.

ADMINISTRATION

At the Federal level, the AFDC program is administered by the Office of Family Assistance, which is part of the Social Security Administration in the Department of Health and Human Services. Federal law requires that the State designate a single State agency to administer or supervise the administration of the program.

CHARACTERISTICS OF RECIPIENTS

In March 1979 (the date of the last survey of AFDC recipients), about 86 percent of AFDC children were eligible for AFDC because of the absence of the father. About 52 percent of the caseload was white. The average family size was three. About 14 percent of mothers worked either full- or part-time. The median length of time on the rolls was 29.3 months. (See table 7.)

QUALITY CONTROL

Since 1980, States have been required to make continuous progress in reducing their AFDC payment error rates. Beginning October 1982, States will be required to maintain an error rate of 4 percent or less. Erroneous payments in excess of the prescribed goals may be disallowed for purposes of Federal matching. (The Secretary of Health and Human Services has authority to waive the disallowance under circumstances prescribed in regulations.) Table 8 shows State error rates for the most recently reported quality control measurement period. In that period, April–September 1980, the national average payment error rate was 7.3 percent.

TABLE 2.—EXPENDITURES FOR AFDC BENEFIT PAYMENTS, FISCAL YEAR 1981 [1]

[In thousands of dollars]

State	Total, Federal and State/local	Federal share (unadjusted)
Alabama	77,478,041	55,257,339
Alaska	34,650,552	17,325,276
Arizona	43,213,762	17,610,874
Arkansas	51,061,010	37,208,159
California	2,540,593,544	1,270,296,772
Colorado	88,932,733	47,081,958
Connecticut	205,730,316	102,865,158
Delaware	32,068,992	16,034,496
District of Columbia	88,725,379	44,362,691
Florida	206,723,709	121,842,954
Georgia	158,036,714	105,505,310
Guam	3,931,408	2,948,556
Hawaii	93,238,829	46,619,415
Idaho	22,042,293	14,481,785
Illinois	781,829,365	390,914,682
Indiana	145,368,348	83,266,989
Iowa	148,453,035	83,979,881
Kansas	88,287,542	47,251,492
Kentucky	146,377,080	99,672,331
Louisiana	130,475,024	89,792,912
Maine	58,161,427	40,439,640
Maryland	226,293,082	113,146,541
Massachusetts	515,279,882	266,657,338
Michigan	1,099,271,313	549,635,657
Minnesota	242,429,633	134,887,848
Mississippi	62,116,323	48,171,208
Missouri	193,572,540	116,840,385
Montana	18,698,927	12,019,670
Nebraska	46,879,961	27,011,540
Nevada	12,392,714	6,196,357
New Hampshire	27,625,797	16,882,118
New Jersey	533,190,230	266,595,115
New Mexico	45,815,683	31,626,566
New York	1,479,305,120	739,652,560
North Carolina	157,551,359	106,567,740
North Dakota	16,039,059	9,854,398
Ohio	606,046,808	333,931,792
Oklahoma	91,633,745	58,315,715
Oregon	110,948,804	61,754,104
Pennsylvania	764,425,384	421,504,157

TABLE 2.—EXPENDITURES FOR AFDC BENEFIT PAYMENTS, FISCAL YEAR 1981[1]—Continued

[In thousands of dollars]

State	Total, Federal and State/local	Federal share (unadjusted)
Puerto Rico	62,940,226	47,205,172
Rhode Island	75,168,420	43,454,864
South Carolina	79,129,917	56,158,502
South Dakota	17,477,863	12,021,273
Tennessee	85,092,784	59,079,920
Texas	135,584,543	87,575,396
Utah	49,956,097	34,005,115
Vermont	39,110,445	26,751,544
Virginia	175,218,474	99,068,525
Virgin Islands	2,820,165	2,115,124
Washington	237,249,677	118,624,840
West Virginia	61,152,621	41,186,290
Wisconsin	381,621,720	221,149,787
Wyoming	8,470,366	4,235,182
Total	12,805,888,785	6,908,641,013

[1] Preliminary, subject to adjustment.

Source: Office of Family Assistance, Department of Health and Human Services.

TABLE 3.—STATE IMPLEMENTATION OF PROVISIONS IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, MONTH/YEAR

State	Retrospective accounting	Monthly reporting	150 percent gross income limit	Limit disregard—$75/$160	Count stepparent's income	Count food stamps and housing subsidies
Alabama	(1)	(1)	10/81	10/81	10/81	
Alaska	(3)	10/81	10/81	10/81	11/81	
Arizona	10/81	10/81	10/81	10/81	10/81	
Arkansas	4/82	4/82	10/81	11/81	12/81	
California	10/81	10/81	11/81	11/81	2/82	
Colorado	12/81	12/81	12/81	12/81	10/81	
Connecticut	5/82	5/82	10/81	10/81	(6)3/82	
Delaware	10/81	10/81	10/81	10/81	10/81	
District of Columbia	11/81	11/81	11/81	11/81	11/81	
Florida	4/82	4/82	(6)11/81	(6)11/81	10/81	
Georgia	7/82	7/82	10/81	10/81	10/81	
Hawaii	10/81	10/81	10/81	10/81	10/81	
Idaho	(3)	(3)	10/81	10/81	10/81	

TABLE 3.—STATE IMPLEMENTATION OF PROVISIONS IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, MONTH/YEAR—Continued

State	Retrospective accounting	Monthly reporting	150 percent gross income limit	Limit disregard—$75/$160	Count stepparent's income	Count food stamps and housing subsidies
Illinois	(3)	(3)	10/81	10/81	10/81	
Indiana	(2)	(2)	10/81	(2)	(2)	
Iowa	8/82	8/82	10/81	10/81	10/81	
Kansas	(6)11/81	(6)11/81	(6)11/81	(6)11/81	(6)11/81	
Kentucky	(1)	(1)	10/81	12/81	10/81	
Louisiana	10/81	10/81	10/81	10/81	10/81	
Maine	10/82	10/82	1/82	1/82	1/82	
Maryland	(1)	(1)	11/81	11/81	11/81	
Massachusetts	10/81	10/81	10/81	10/81	3/82	
Michigan	(3)	(3)	10/81	10/81	10/81	
Minnesota	10/81	(3)	(6)2/82	(6)2/82	2/82	
Mississippi	10/81	10/81	10/81	10/81	10/81	
Missouri	7/82	7/82	10/81	11/81	4/82	
Montana	11/81	11/81	10/81	10/81	10/81	
Nebraska	7/82	7/82	11/81	11/81	(5)	
Nevada	10/81	10/81	10/81	10/81	10/81	
New Hampshire	10/82	10/82	10/81	10/81	(5)	
New Jersey	(1)	(1)	10/81	10/81	10/81	
New Mexico	6/82	6/82	12/81	12/81	12/81	
New York	(1)	(1)	(7)1/82	(7)3/82	(7)1/82	
North Carolina	3/82	3/82	10/81	10/81	10/81	
North Dakota	11/81	11/81	11/81	11/81	11/81	
Ohio	(1)	(1)	10/81	10/81	10/81	
Oklahoma	1/82	1/82	10/81	10/81	10/81	
Oregon	(3)	(3)	10/81	10/81	(5)	(8)10/81–12/81
Pennsylvania	(4)	(4)	12/81	12/81	(1)(7)	
Rhode Island	(1)	(1)	(2)	(2)	(2)	
South Carolina	4/82	4/82	11/81	11/81	11/81	
South Dakota	12/81	12/81	10/81	10/81	(5)	
Tennessee	10/81	(1)	10/81	10/81	10/81	
Texas	6/82	6/82	10/81	10/81	10/81	
Utah	6/82	6/82	12/81	12/81	(5)	
Vermont	(1)	(1)	(2)	(2)	10/81	
Virginia	11/81	11/81	11/81	11/81	11/81	
Washington	10/81	10/81	10/81	10/81	(5)	(8)10/12/81

TABLE 3.—STATE IMPLEMENTATION OF PROVISIONS IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, MONTH/YEAR—Continued

State	Retrospective accounting	Monthly reporting	150 percent gross income limit	Limit disregard—$75/$160	Count stepparent's income	Count food stamps and housing subsidies
West Virginia......	6/82	6/82	10/81	10/81	10/81	(8)2/82
Wisconsin...........	(1)	10/81	6/81	12/81	10/81	....
Wyoming............	1/82	1/82	11/81	11/81	10/81	....
Guam.................	(6)11/81	(6)11/81	(6)11/81	(6)11/81	(6)11/81	....
Puerto Rico........	(1)	(1)	3/82	3/82	3/82	....
Virgin Islands.....	4/82	4/82	12/81	12/81	11/81	....

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[1] OFA had not received a reported date of implementation.

[2] The State has used the authority in the law to request waiver by the Secretary because of a State law impediment. This request is pending.

[3] The State met the new requirements prior to the effective date.

[4] 3d quarter, fiscal year 1982.

[5] The State has a law of general applicability which makes stepparents in the State responsible for their stepchildren without regard to AFDC rules.

[6] Waiver granted for date indicated.

[7] Waiver granted until 12/81.

[8] The option to count food stamps and housing subsidies as income is limited to housing only.

Note: The above table shows the actual or anticipated date of implementation of six major provisions in the Omnibus Budget Reconciliation Act of 1981. It reflects information reported by the States and compiled by the Office of Family Assistance as of March 11, 1982. Date may be advanced as State revises implementation schedule.

TABLE 4.—MAXIMUM MONTHLY POTENTIAL BENEFITS, AFDC AND FOOD STAMPS, 1-PARENT FAMILY [1] OF 3 PERSONS, NOVEMBER 1981

	Maximum AFDC grant [2]	Food stamp benefit [3]	Combined benefits	As percent of estimated 1981 poverty threshold [4]
Alabama..	$118	$183	$301	50
Alaska..	571	215	786	104
Arizona..	202	182	384	64
Arkansas..	122	183	305	50
California......................................	506	91	597	99
Colorado..	313	149	462	76
Connecticut....................................	498	94	592	98
Delaware..	266	163	429	71
District of Columbia.........................	286	157	443	73
Florida...	195	183	378	63
Georgia..	183	183	366	61
Hawaii..	468	250	718	103
Idaho..	305	151	456	75
Illinois..	302	152	454	75
Indiana...	255	166	421	70

TABLE 4.—MAXIMUM MONTHLY POTENTIAL BENEFITS, AFDC AND FOOD STAMPS, 1-PARENT FAMILY [1] OF 3 PERSONS, NOVEMBER 1981—Continued

	Maximum AFDC grant [2]	Food stamp benefit [3]	Combined benefits	As percent of estimated 1981 poverty threshold [4]
Iowa	360	135	495	82
Kansas	353	137	490	81
Kentucky	188	183	371	61
Louisiana	173	183	356	59
Maine	301	153	454	75
Maryland	270	162	432	71
Massachusetts	379	129	508	84
Michigan (Dec. 1, 1981)	[5] 464	116	580	96
(Wayne County) (Dec. 1, 1981)	[5] (436)	(124)	(560)	93
Minnesota	446	109	555	92
Mississippi	96	183	279	46
Missouri	248	169	417	69
Montana	278	160	438	72
Nebraska	350	138	488	81
Nevada	241	171	412	68
New Hampshire	326	148	474	78
New Jersey	360	135	495	82
New Mexico	233	173	406	67
New York [6]	507	100	607	100
(New York City) [6]	(424)	(125)	(569)	94
North Carolina	192	183	375	62
North Dakota	334	143	477	79
Ohio	263	164	427	71
Oklahoma	282	158	440	73
Oregon [6]	339	183	522	86
Pennsylvania	332	143	485	80
Rhode Island	367	133	500	83
South Carolina	129	183	312	52
South Dakota	321	147	468	77
Tennessee	122	183	305	50
Texas	118	183	301	50
Utah	367	133	500	83
Vermont	506	91	597	99
Virginia	310	150	460	76
Washington	415	118	533	96

TABLE 4.—MAXIMUM MONTHLY POTENTIAL BENEFITS, AFDC AND FOOD STAMPS, 1-PARENT FAMILY [1] OF 3 PERSONS, NOVEMBER 1981—Continued

	Maximum AFDC grant [2]	Food stamp benefit [3]	Combined benefits	As percent of estimated 1981 poverty threshold [4]
West Virginia	206	181	387	64
Wisconsin	473	101	574	95
Wyoming	315	148	463	77
Guam	262	256	518	86
Puerto Rico [7]	90	174	264	44
Virgin Islands	209	215	424	70
Median State	302	152	454	75

[1] In most States these benefit amounts apply also to two-parent families of three (where the second parent is incapacitated, or, as permitted in almost half the States, unemployed). Some, however, increase benefits for such families.

[2] In States with area differentials, figure shown is for area with highest benefit.

[3] Food stamp benefits are based on maximum AFDC benefits shown and assume deductions of $200 monthly ($85 standard household deduction plus $115 maximum allowable deduction for excess shelter costs and/or dependent care) in the 48 contiguous States and D.C. In the remaining five jurisdictions these maximum allowable food stamp deductions are assumed: Alaska, $345; Hawaii, $285; Guam, $310; Puerto Rico, $90; and Virgin Islands, $160. If only the standard deduction were assumed, food stamp benefits would drop by $35 monthly in most of the 48 contiguous States and D.C. (by less than $35 in States with AFDC benefits below $200); and by $60 in Alaska, $50 in Hawaii, $41 in Guam; $12 in Puerto Rico, and $26 in the Virgin Islands. Maximum food stamp benefits from January 1981 through March 1982 are $183 for a family of three except in these 5 jurisdictions, where they are as follows: Alaska, $283; Hawaii, $250; Guam, $256; Puerto Rico, $174; and Virgin Islands, $230.

[4] Except for Alaska and Hawaii, this column is based on an unofficial preliminary estimate of the Census Bureau's 1981 poverty threshold for a family of three persons, $7,253, converted to a monthly rate of $604. For Alaska, this threshold was increased by 25 percent; for Hawaii, by 15 percent, following the practice of the Office of Management and Budget (OMB).

[5] This includes a special heating allowance of $41 monthly for four months (December 1981 through March 1982). This allowance is disregarded by the Food Stamp Program.

[6] In these States part of the AFDC cash payment has been designated as energy aid and is disregarded by the State in calculating food stamp benefits. New York disregards $30, the full amount of a benefit boost voted in May 1981. Oregon disregards $155.59. See also footnote 4.

[7] Pays 50 percent of the need standard plus rent as paid. The figures shown assume rent at $20 a month, which is the amount which has actually been allowed.

Source: Congressional Research Service.

TABLE 5.—MAXIMUM AFDC BENEFITS, BY FAMILY SIZE,[1] NOVEMBER 1981

State	Family				
	2 person	3 person	4 person	5 person	6 person
Alabama	$89	$118	$148	$177	$207
Alaska [2]	508	571	634	697	760
Arizona	156	202	244	279	312
Arkansas	101	122	142	161	179
California [2]	408	506	601	686	771
Colorado [2] [3]	247	313	379	450	519
Connecticut [2] [4]	402	498	581	655	732
Delaware [2]	197	266	312	386	440

TABLE 1.—AID TO FAMILIES WITH DEPENDENT CHILDREN: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980

[Includes nonmedical vendor payments, unemployed parent segment and AFDC-foster care data]

State	Number of families	Number of recipients		Payments to recipients		
		Total	Children	Total amount	Average per	
					Family	Recipient
Total	3,842,534	11,101,149	7,599,376	$1,105,776,662	$287.77	$99.61
Alabama	63,246	178,322	127,684	6,967,928	110.17	39.07
Alaska	6,606	15,931	10,882	2,590,514	392.15	162.61
Arizona	21,573	59,809	43,589	3,809,666	176.59	63.70
Arkansas	29,822	85,008	61,667	4,360,856	146.23	51.30
California	511,486	1,498,216	996,054	220,451,580	431.00	147.14
Colorado	29,467	81,031	55,415	7,591,646	257.63	93.69
Connecticut	49,407	139,685	96,240	18,308,524	370.57	131.07
Delaware	12,404	34,243	23,555	2,817,520	227.15	82.28
District of Columbia	30,278	81,985	56,556	7,661,257	253.03	93.45
Florida	103,315	279,392	199,015	18,229,236	176.44	65.25
Georgia	89,912	233,730	168,813	12,591,009	140.04	53.87
Guam	1,492	5,311	3,877	316,333	212.02	59.56
Hawaii	20,046	61,342	40,802	7,731,955	385.71	126.05
Idaho	7,503	20,326	13,845	2,064,949	275.22	101.59
Illinois	222,937	691,434	482,773	62,903,873	282.16	90.98
Indiana	60,229	170,239	119,431	12,351,154	205.07	72.55
Iowa	40,476	111,287	73,907	12,553,542	310.15	112.80
Kansas	27,720	71,956	50,828	7,817,479	282.02	108.64

Kentucky	67,159	175,071	122,437	12,478,662	185.81	71.28
Louisiana	72,163	218,966	160,212	11,254,465	155.96	51.40
Maine	21,466	57,700	39,504	4,954,190	230.79	85.86
Maryland	80,823	220,316	148,989	19,304,624	238.85	87.62
Massachusetts	125,232	347,830	226,570	43,793,572	349.70	125.91
Michigan	246,648	752,578	494,459	96,243,119	390.20	127.88
Minnesota	53,856	145,634	96,383	18,582,462	345.04	127.60
Mississippi	59,814	176,253	129,704	5,257,257	87.89	29.83
Missouri	73,506	215,682	144,865	16,795,310	228.49	77.87
Montana	7,136	19,883	13,621	1,646,790	230.77	82.82
Nebraska	13,573	37,541	25,900	3,890,757	286.65	103.64
Nevada	5,114	13,827	9,524	1,096,034	214.32	79.27
New Hampshire	8,647	23,648	15,636	2,377,068	274.90	100.52
New Jersey	153,709	468,603	320,955	49,028,742	318.97	104.63
New Mexico	19,550	56,157	38,657	3,705,145	189.52	65.98
New York	367,628	1,109,601	762,672	136,745,976	371.97	123.24
North Carolina	80,074	201,828	142,638	13,014,235	162.53	64.48

TABLE 1.—AID TO FAMILIES WITH DEPENDENT CHILDREN: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980—Continued

[Includes nonmedical vendor payments, unemployed parent segment and AFDC-foster care data]

State	Number of families	Number of recipients		Payments to recipients		
		Total	Children	Total amount	Average per	
					Family	Recipient
North Dakota	4,859	13,111	9,045	1,413,489	290.90	107.81
Ohio	200,243	572,347	380,365	50,348,940	251.44	87.97
Oklahoma	31,543	91,984	66,752	7,880,651	249.84	85.67
Oregon	35,440	93,993	60,731	9,315,930	262.86	99.11
Pennsylvania [2]	218,713	637,387	435,408	64,712,837	295.88	101.53
Puerto Rico	46,245	169,697	118,368	2,812,545	60.82	16.57
Rhode Island	18,772	53,950	36,563	7,613,825	405.59	141.13
South Carolina	57,643	156,080	110,573	6,685,505	115.98	42.83
South Dakota	6,946	18,753	13,120	1,555,186	223.90	82.93
Tennessee	65,958	173,854	122,637	7,448,916	112.93	42.85

TABLE 1.—AID TO FAMILIES WITH DEPENDENT CHILDREN: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980—Continued

[Includes nonmedical vendor payments, unemployed parent segment and AFDC-foster care data]

State	Number of families	Number of recipients		Payments to recipients		
		Total	Children	Total amount	Average per	
					Family	Recipient
Texas	106,104	320,002	232,384	11,490,205	108.29	35.91
Utah	13,954	43,710	27,335	4,504,653	322.82	103.06
Vermont	8,129	24,251	15,379	2,839,074	349.25	117.07
Virgin Islands	1,165	3,441	2,721	228,534	196.17	66.41
Virginia	65,272	175,927	121,821	14,487,213	221.95	82.35
Washington	61.639	173,339	108,234	23,434,682	380.19	135.20
West Virginia	28,026	79,971	60,820	4,970,373	177.35	62.15
Wisconsin	85,129	231,979	154,465	32,026,663	376.21	138.06
Wyoming	2,737	7,008	4,996	720,012	263.07	102.74

[1] Increase or decrease of less than 0.05 percent.

[2] Estimated data.

Source: Department of Health and Human Services.

TABLE 5.—MAXIMUM AFDC BENEFITS, BY FAMILY SIZE,[1] NOVEMBER 1981—Continued

State	Family				
	2 person	3 person	4 person	5 person	6 person
District of Columbia	225	286	349	402	473
Florida[2, 5]	150	195	230	265	300
Georgia	153	183	216	247	268
Hawaii[2, 6]	390	468	546	626	709
Idaho	245	305	345	385	418
Illinois[7]	250	302	368	434	495
Indiana	195	255	315	375	435
Iowa[2]	292	360	419	464	516
Kansas[2, 8]	297	353	399	440	481
Kentucky[2]	162	188	235	275	310
Louisiana[9]	125	173	213	252	287
Maine[10]	223	301	378	455	532
Maryland[2]	211	270	326	377	416
Massachusetts	314	379	445	510	575
Michigan[11] December 1981	391	464	533	609	689
(Wayne County) (December 1981)	(364)	(436)	(506)	(582)	(661)
Minnesota[2]	368	446	520	584	647
Mississippi	60	96	120	144	168
Missouri	199	248	290	329	366
Montana[2, 12]	234	278	356	420	473
Nebraska[2]	280	350	420	490	560
Nevada	194	241	288	335	383
New Hampshire[2, 13]	278	326	372	418	476
New Jersey[2]	273	360	414	468	522
New Mexico[2]	189	233	281	324	354
New York[2, 14]	424	507	602	686	752
(New York City)	(356)	(424)	(515)	(592)	(672)
North Carolina	167	192	210	230	248
North Dakota[2]	270	334	408	464	511
Ohio	216	263	327	381	424
Oklahoma[2]	218	282	349	409	468
Oregon[2]	286	339	409	480	547
Pennsylvania[2, 15]	273	332	395	451	490
Rhode Island[2, 16]	298	367	420	473	533
South Carolina	99	129	158	188	217
South Dakota[2, 17]	280	321	361	401	441
Tennessee	97	122	148	174	201
Texas[18]	85	118	141	164	183
Utah	278	367	438	557	658

TABLE 5.—MAXIMUM AFDC BENEFITS, BY FAMILY SIZE,[1] NOVEMBER 1981—Continued

State	Family				
	2 person	3 person	4 person	5 person	6 person
Vermont[19]	423	506	566	640	684
Virginia[20]	258	310	360	428	468
Washington[2,21]	339	415	501	593	671
West Virginia[22]	164	206	249	284	322
Wisconsin[23]	401	473	563	647	699
Wyoming[2,24]	280	315	340	390	445
Guam[2]	202	262	307	337	367
Puerto Rico[25]	66	90	114	138	162
Virgin Islands[2]	154	209	263	317	371

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[1] Maximum benefit paid for a family of given size with zero countable income. Family members include 1 adult caretaker.

[2] These States pay 100 percent of the need standard.

[3] Colorado no longer has separate payment schedules for winter months and non-winter months.

[4] Connecticut has three rent regions. Data shown are from rent region A which has the highest rents.

[5] Florida has two payment schedules—one that includes shelter expenses and one that does not. Data shown include shelter.

[6] The Hawaii figures include shelter maximums of $215, $240, $265, $290, and $320 for an AFDC family with 2 recipients to 6 recipients, respectively.

[7] Illinois divides itself into 3 distinct areas with regard to payment schedules. Data shown are from the Cook County area, which includes Chicago.

[8] Kansas has a basic standard and a shelter standard. The shelter standard varies from area to area (i.e. from $72 monthly to $128 monthly). The shelter payment in Topeka and some of the other larger cities is $103 monthly. The figures shown include a shelter standard of $128 monthly.

[9] Louisiana has two payment schedules—one for urban areas, from which our data were taken, and one for rural areas.

[10] Maine also has a children only schedule.

[11] Michigan has varied shelter maximums. Shown are benefits for Washtenaw County (Ann Arbor) and Wayne County (Detroit).

[12] Montana has two payment schedules—one with shelter costs included and the other without shelter costs. Data shown include shelter.

[13] New Hampshire payment schedules include a basic maintenance allowance plus an additional amount depending on the type of shelter: (1) no heat or utilities included in the shelter costs, (2) either heat or utilities included, or (3) both heat and utilities included. Data shown include both heat and utilities.

[14] New York has payment schedules for each social service district. The figures include energy payments.

[15] Pennsylvania has four regions. The figures in the table are from region 1, which has the highest benefits.

[16] Rhode Island has a winter and non-winter payment schedule. The figures in the table are from the non-winter schedule which lasts from April through November. The winter schedule lasts from December through March.

[17] The South Dakota figures include rent of $120 monthly and utilities equal to $43 monthly.

[18] Texas also has a payment schedule for children only.

[19] Vermont has a base amount plus a housing maximum which depends on whether the recipient is living in a furnished or unfurnished apartment inside or outside of Chittenden County. 69 percent of the [base amount plus housing allowance] is equal to the largest amount paid to a recipient with no other income. The figures in the table assume the recipient is in a furnished apartment (the amount paid for a furnished apartment is constant statewide—i.e. $217).

[20] Virginia has three payment schedules. The figures shown are from area 3 which has the highest benefits.

[21] Washington has two areas. The figures in the Table are from the area 1 payment schedule which has the bulk of the population and the higher benefit levels.

[22] West Virginia has three payment schedules. The figures show the higher benefit levels.

[23] Wisconsin has two payment schedules—The figures show the higher benefit levels.

[24] Wyoming has two payment schedules—one that includes shelter costs and one that excludes shelter costs. The figures shown include shelter.

[25] Puerto Rico pays 50 percent of need plus rent as paid. The figures assume rent at $20 a month, which is the amount which has actually been allowed.

Source: Congressional Research Service.

TABLE 6.—FEDERAL MEDICAL ASSISTANCE PERCENTAGES

State	Promulgated for the periods—	
	Jan. 1, 1966–June 30, 1967	Oct. 1, 1981–Sept. 30, 1983
Alabama	79.85	71.13
Alaska	50.00	50.00
Arizona [1]	63.94	59.87
Arkansas	81.67	72.16
California	50.00	50.00
Colorado	53.08	52.28
Connecticut	50.00	50.00
Delaware	50.00	50.00
District of Columbia	50.00	50.00
Florida	65.21	57.92
Georgia	74.91	66.28
Guam	(2)	(2)
Hawaii	52.97	50.00
Idaho	70.73	65.43
Illinois	50.00	50.00
Indiana	55.77	56.73
Iowa	60.39	55.35
Kansas	61.45	52.50
Kentucky	76.70	67.95
Louisiana	76.41	66.85
Maine	69.57	70.63
Maryland	50.00	50.00
Massachusetts	50.00	53.56
Michigan	50.31	50.00
Minnesota	60.46	54.39
Mississippi	83.00	77.36
Missouri	53.90	60.38
Montana	62.86	65.34
Nebraska	60.39	58.12
Nevada	50.00	50.00
New Hampshire	61.31	59.41
New Jersey	50.00	50.00
New Mexico	70.73	67.19
New York	50.00	50.88
North Carolina	75.58	67.81
North Dakota	66.67	62.11
Ohio	52.33	55.10
Oklahoma	70.32	59.91

TABLE 6.—FEDERAL MEDICAL ASSISTANCE PERCENTAGES—Continued

State	Promulgated for the periods— Jan. 1, 1966–June 30, 1967	Promulgated for the periods— Oct. 1, 1981–Sept. 30, 1983
Oregon	54.12	52.81
Pennsylvania	54.38	56.78
Puerto Rico	(2)	(2)
Rhode Island	56.13	57.77
South Carolina	81.30	70.77
South Dakota	71.05	68.19
Tennessee	76.86	68.53
Texas	67.27	55.75
Utah	66.30	68.64
Vermont	68.44	68.59
Virgin Islands	(2)	(2)
Virginia	66.96	56.74
Washington	50.81	50.00
West Virginia	74.27	67.95
Wisconsin	57.60	58.02
Wyoming	55.47	50.00

[1] Not applicable; for AFDC no title XIX program in effect.

[2] For purposes of section 1118 of the Social Security Act, the percentage used under titles I, X, XIV, and XVI and part A of title IV will always be 75 percent. Prior to fiscal year 1979 the percentage used was 50 percent.

Source: MMB/HCFA/HEW.

TABLE 7.—AFDC CHARACTERISTICS, 1969–79

	May 1969	January 1973	May 1975	March 1977	March 1979
Average family size (persons)	4.0	3.6	3.2	3.1	3.0
Incidence of fathers (percent):					
Absent	[1] 77.1	[2] 80.5	[2] 83.3	[2] 84.7	[2] 85.9
Not married to the mother	[1] 27.9	[2] 31.5	[2] 31.0	[2] 33.8	[2] 37.5
Incidence of working mothers (percent):					
With full-time jobs	8.2	9.8	10.4	8.4	8.7
With part-time jobs	6.3	6.3	5.7	5.3	5.4
Actively seeking work, or in school or training	10.0	11.5	12.2	13.8	12.8
Percent of families:					
With earnings	[3] NA	16.3	14.6	12.9	12.8
With no reported income other than AFDC	56.0	66.9	71.1	[4] 78.2	[4] 80.6
Median number of months on AFDC[5]	23.0	27.4	31.0	26.3	29.3
Race (percent):					
White	[6] 49.2	46.9	50.2	52.6	51.8
Black	46.2	45.8	44.3	43.0	43.7

TABLE 7.—AFDC CHARACTERISTICS, 1969–79—Continued

	May 1969	January 1973	May 1975	March 1977	March 1979
Incidence of households (percent):					
Living in public housing	[7] 12.8	13.6	14.6	14.9	NA
Participating in food stamp or donated-food program	52.9	68.4	75.1	74.0	75.2
Including nonrecipient members	33.1	34.9	34.8	NA	NA

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[1] Calculated on the basis of total number of families.

[2] Calculated on the basis of total number of children; on the basis of total number of families, the January 1973 percentages would be 83 for absent fathers and 34.7 for unmarried-to-mother fathers.

[3] 13.7 percent of mothers had earnings in 1969 survey month, compared with 14.4 percent in 1973, 13.7 percent in 1975, and 12.3 percent in 1977.

[4] State collected child support directly beginning in 1975, removing one source of non-AFDC income.

[5] Since most recent enrollment.

[6] Excludes Puerto Rico and the Virgin Islands.

[7] As of 1971. Item not available for 1969.

Source: Congressional Research Service based on AFDC recipient characteristic studies, conducted by the Department of Health and Human Services.

TABLE 8.—AFDC QUALITY CONTROL APRIL–SEPTEMBER 1980 PAYMENT ERROR RATES, BY REGION [1]

[Includes new payment errors [2]]

Region and State	Ineligible and eligible overpaid [3]	Ineligible	Eligible but overpaid	Eligible but underpaid
U.S. average [4]	7.3	4.2	3.2	0.7
Region I [4]	8.0	3.8	4.2	.5
Connecticut	6.2	3.6	2.6	.3
Maine	7.3	3.6	3.9	.3
Massachusetts	8.2	2.9	5.2	.5
New Hampshire	11.1	9.2	1.9	.7
Rhode Island	9.7	7.8	2.2	.6
Vermont	11.4	6.8	4.7	1.4
Region II [4]	9.6	5.7	4.1	1.8
New Jersey	9.3	3.7	5.0	.7
New York	9.7	6.4	3.7	2.2
Puerto Rico	10.3	5.5	4.8	.9
Virgin Islands	5.4	3.8	1.6	.5
Region III [4]	8.5	4.6	3.9	.5
Delaware	7.9	3.8	4.1	.5
District of Columbia	10.5	5.4	5.5	1.0
Maryland	12.7	7.7	4.9	.6
Pennsylvania	8.0	4.2	3.8	.4
Virginia	4.7	2.3	2.4	.5
West Virginia	6.9	4.0	2.9	.5

TABLE 8.—AFDC QUALITY CONTROL APRIL–SEPTEMBER 1980 PAYMENT ERROR RATES, BY REGION [1]—Continued

Region and State	Ineligible and eligible overpaid [3]	Ineligible	Eligible but overpaid	Eligible but underpaid
Region IV [4]	6.2	3.7	2.5	.6
Alabama	7.6	5.4	2.2	.2
Florida	5.8	3.5	2.3	.8
Georgia	7.8	4.9	3.0	.3
Kentucky	4.7	2.8	1.9	.2
Mississippi	6.9	3.5	3.3	.7
North Carolina	4.8	2.7	2.1	1.0
South Carolina	6.9	3.1	3.8	1.2
Tennessee	7.0	4.6	2.5	.5
Region V [4]	7.0	3.7	3.3	.5
Illinois	6.9	2.6	4.0	.2
Indiana	4.6	2.6	2.0	.1
Michigan	7.3	3.7	3.7	.6
Minnesota	2.3	1.0	1.3	.4
Ohio	8.7	5.4	3.3	.5
Wisconsin	7.6	5.5	2.0	1.2
Region VI [4]	6.8	4.4	2.4	.5
Arkansas	6.1	5.0	1.2	.4
Louisiana	7.2	4.7	2.4	.5
New Mexico	8.2	4.3	3.8	.6
Oklahoma	4.8	2.8	2.0	.3
Texas	7.8	4.9	2.8	.5
Region VII [4]	5.3	3.0	2.4	.4
Iowa	3.8	2.0	1.8	.2
Kansas	7.4	4.8	2.6	.4
Missouri	5.9	3.0	2.9	.6
Nebraska	4.3	2.7	1.6	.4
Region VIII [4]	9.8	5.3	4.4	.4
Colorado	13.3	7.1	6.0	.5
Montana	11.2	4.6	6.6	1.1
North Dakota	4.7	2.0	2.7	.4
South Dakota	6.8	3.6	3.2	.1
Utah	5.5	3.3	2.2	.1
Wyoming	16.4	12.3	3.6	.4
Region IX [4]	5.3	3.4	2.0	.6
Arizona	9.5	7.3	2.3	.9
California	5.1	3.3	1.9	.6
Hawaii	9.2	5.1	4.1	1.1
Nevada	2.3	1.7	.3	....

TABLE 8.—AFDC QUALITY CONTROL APRIL–SEPTEMBER 1980 PAYMENT ERROR RATES, BY REGION [1]—Continued

Region and State	Ineligible and eligible overpaid [3]	Ineligible	Eligible but overpaid	Eligible but underpaid
Region X [4]	7.7	5.1	2.7	.5
Alaska	14.4	7.6	6.8	.1
Idaho	11.8	7.8	4.1	.5
Oregon	4.0	1.1	3.0	.7
Washington	9.1	7.2	1.9	.4

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[1] Based on reviews of statistically reliable samples for approximately 40,000 cases in each reporting period from an average national caseload of 3.5 million families.

[2] "New payment errors" encompass errors excluded from QC review prior to 1978. These inlcude new AFDC eligibility requirements associated with State failure to properly apply child support requirements and failure to obtain Social Security numbers for AFDC recipients.

[3] All error rates computed by the regression formula; thus rates for ineligible and overpaid may not add to that shown for the combined rate.

[4] Weighted average.

Source: Department of Health and Human Services.

TABLE 9.—AID TO FAMILIES WITH DEPENDENT CHILDREN, UNEMPLOYED PARENT SEGMENT: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980

[Includes nonmedical vendor payments]

State	Number of families	Number of recipients		Payments to recipients		
		Total	Children	Total amount	Average per	
					Family	Recipient
Total	192,602	820,459	457,131	$82,861,232	$430.22	$100.99
California	58,976	254,026	144,582	30,477,913	516.79	119.98
Colorado	1,355	5,699	3,011	506,030	373.45	88.79
Connecticut	780	3,456	1,940	407,504	522.44	117.91
Delaware	388	1,645	899	115,025	296.46	69.92
District of Columbia	214	910	507	70,717	330.45	77.71
Guam	142	709	426	40,430	284.72	57.02
Hawaii	940	4,336	2,471	426,035	453.23	98.26
Illinois	8,412	37,283	20,869	3,291,808	391.32	88.29
Iowa	2,979	11,893	6,192	1,103,171	370.32	92.76
Kansas	921	3,562	1,876	345,298	374.92	96.94
Maryland	1,313	5,663	3,135	407,[illegible]	310.36	71.96
Massachusetts	4,767	20,214	11,705	2,088,097	438.03	103.30
Michigan	34,003	144,151	79,791	15,577,273	458.11	108.06
Minnesota	3,393	14,196	7,489	1,459,612	430.79	102.82
Missouri	2,474	10,695	5,747	684,786	276.79	64.03
Montana	438	1,860	1,064	120,428	274.95	64.75

TABLE 9.—AID TO FAMILIES WITH DEPENDENT CHILDREN, UNEMPLOYED PARENT SEGMENT: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980—Continued

[Includes nonmedical vendor payments]

State	Number of families	Number of recipients		Payments to recipients		
		Total	Children	Total amount	Average per	
					Family	Recipient
Nebraska	227	1,056	603	88,294	388.96	83.61
New Jersey	5,692	24,284	13,998	2,162,171	379.86	89.04
New York	10,905	48,547	27,538	4,131,904	378.90	85.11
Ohio	22,870	94,101	49,603	7,377,604	322.59	78.40
Pennsylvania	10,858	46,138	24,654	3,777,707	347.92	81.88
Rhode Island	330	1,416	777	150,350	455.61	106.18
Utah	2,026	9,000	5,064	796,045	392.91	88.45
Vermont	657	2,789	1,512	268,891	409.27	96.41
Washington	7,015	28,673	14,777	3,135,616	446.99	109.36
West Virginia	3,583	15,075	11,311	768,741	214.55	50.99
Wisconsin	6,944	29,078	15,590	3,082,273	443.88	106.00

Source: Department of Health and Human Services.

TABLE 10.—EMERGENCY ASSISTANCE: FAMILIES RECEIVING ASSISTANCE AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980

[Authorized to needy families with children under title IV–A]

State	Number of families			Amount of assistance payments			
				Total			
	Total	AFDC cash payment cases	Other	Amount	Average per family	Maintenance	Medical care
Total	52,051	[1] 20,249	[1] 10,902	$10,252,544	$196.97	$9,764,650	$487,894
Arkansas	197	149	48	7,900	40.10	7,490	410
Connecticut	0	0	0	0	(2)	0	0
Delaware	193	193	0	18,716	96.97	18,716	0
District of Columbia	184	111	73	43,409	235.92	43,409	0
Illinois	397	397	0	62,260	156.83	62,260	0
Kansas	656	0	656	101,014	153.98	101,014	0
Kentucky	2,047	717	1,330	387,558	189.33	387,558	0
Maryland	1,429	1,077	352	290,197	203.08	290,197	0
Massachusetts	1,871	1,851	20	512,774	274.06	512,774	0
Michigan	5,706	4,258	1,448	1,413,914	247.79	1,385,766	28,148
Minnesota	1,277	865	412	314,980	246.66	313,757	1,223
Missouri	262	(1)	(1)	37,259	142.21	37,259	0
Montana	20	2	18	532	(2)	532	0
Nebraska	191	34	157	49,102	257.08	31,989	17,113
New Jersey	588	584	4	210,781	358.47	210,781	0
New York	20,638	(1)	(1)	3,895,373	188.75	3,887,285	8,088
Ohio	12,852	9,246	3,606	2,267,330	176.42	1,851,716	415,614

TABLE 11.—AFDC: FEDERAL SHARE OF EXPENDITURES FOR BENEFITS, EMERGENCY ASSISTANCE, ADMINISTRATION, AND TRAINING, FISCAL YEAR 1981

[In thousands of dollars]

States and other areas	Aid to families with dependent children	Emergency assistance	State and local administration	State and local training	Total
Alabama	55,257		7,469	197	62,923
Alaska	17,164		1,914	52	19,130
Arizona	18,221		4,705	82	23,008
Arkansas	37,208	31	3,205	65	40,509
California	1,271,839		144,052	7,969	1,423,860
Colorado	47,082		5,327	59	52,468
Connecticut	102,611	1,154	6,730	276	110,771
Delaware	16,035	123	1,469	36	17,663
District of Columbia	44,363	996	6,010		51,369
Florida	122,627		17,600	369	140,596
Georgia	121,395		14,029	1,025	136,449
Guam	2,331		(1)	(1)	2,331
Hawaii	46,620		2,981	38	49,639
Idaho	14,482		2,258	276	17,016
Illinois	395,042	324	43,516	334	439,216
Indiana	83,267		10,550	15	93,832
Iowa	90,742		6,450	125	97,317
Kansas	47,251	533	4,593	218	52,595
Kentucky	99,673	1,121	9,649	477	110,920
Louisiana	89,793		12,618	145	102,556
Maine	40,439		2,211	51	42,701
Maryland	113,243	1,672	7,787	240	122,942
Massachusetts	275,871	3,482	25,253	3,010	307,616
Michigan	573,623	8,911	62,152	760	645,446
Minnesota	134,889	1,857	11,212	183	148,141
Mississippi	48,172		3,484	132	51,788
Missouri	110,670	104	13,484	379	124,637
Montana	12,222	33	1,435	218	13,908
Nebraska	27,011	168	3,260	54	30,493
Nevada	6,195		1,672	4	7,871
New Hampshire	17,203		1,363	26	18,592
New Jersey	281,812	1,643	29,660	1,866	314,981
New Mexico	31,627		3,857	85	35,569
New York	754,492	26,195	136,748	7,353	924,788
North Carolina	106,569		9,424	106	116,099
North Dakota	9,691		1,020	6	10,717
Ohio	340,105	11,409	30,529	451	382,494

TABLE 11.—AFDC: FEDERAL SHARE OF EXPENDITURES FOR BENEFITS, EMERGENCY ASSISTANCE, ADMINISTRATION, AND TRAINING, FISCAL YEAR 1981—Continued

[In thousands of dollars]

States and other areas	Aid to families with dependent children	Emergency assistance	State and local administration	State and local training	Total
Oklahoma	57,230	765	8,648	65	66,708
Oregon	61,755	1,251	9,783	394	73,183
Pennsylvania	421,526	143	52,883	2,612	477,164
Puerto Rico	46,496	128	(1)	(1)	46,624
Rhode Island	43,506		3,112	180	46,798
South Carolina	56,102		6,008	142	62,252
South Dakota	11,866		1,291	17	13,174
Tennessee	59,080		8,408	244	67,732
Texas	87,222		20,663	901	108,786
Utah	34,320		2,959	117	37,396
Vermont	26,600	155	1,444	9	28,208
Virginia	97,610	39	13,041	191	110,881
Virgin Islands	2,025	18	(1)	(1)	2,043
Washington	118,807	1,746	14,262	375	135,190
West Virginia	41,186	436	2,784	49	44,455
Wisconsin	221,293	65	17,922	217	239,497
Wyoming	4,235	131	701	9	5,076
Subtotal	6,997,696	64,633	813,585	32,114	7,908,118
Administration and training—Jurisdictions					6,353
Repatriation of U.S. nationals					1,637
Adult categories					16,256
Child support enforcement collections [2]					−268,477
Adjustments [3]					−71,827
Total (Program Costs)					7,735,714

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[1] These costs are now contained in the separate Administration training—Jurisdictions activity.

[2] Child support enforcement collections are shown as an offset to AFDC benefits. The amount shown is based on the States' estimates.

[3] Amounts listed by State reflect estimates made by the States. These estimates have been adjusted in total for the maintenance assistance program to bring the total in line with national projections which are based on national trends of the caseload and national socioeconomic variables.

Source: Social Security Administration, justification of appropriation estimates, fiscal year 1983.

Child Support Enforcement

GENERAL

The purpose of the child support enforcement (CSE) program is to enforce support obligations owed by absent parents to their children, locate absent parents, establish paternity, and obtain child support. The program is authorized by title IV–D of the Social Security Act, and is closely tied to the AFDC program. As a condition of eligibility for AFDC, each applicant or recipient must assign the State any rights to support which she may have in her own behalf or in behalf of children in the family, and must cooperate with the State in establishing paternity and in obtaining support payments. States are also required to provide child support services to families who are not eligible for AFDC.

The Omnibus Budget Reconciliation Act of 1981 included several provisions aimed at making the program more effective and reducing administrative costs. The amendments: authorized the collections of past-due child and spousal support from Federal tax refunds in the case of families receiving AFDC; expanded the authority in prior law to enforce obligations for support of a child to include, in addition, authority to enforce obligations for support of the parent with whom the child is living; required States to retain a fee equal to 10 percent of the support owed on behalf of a non-AFDC family, to be charged against the absent parent and added to the amount of the collection; provided that a support obligation assigned to the State as a condition of AFDC eligibility may not be discharged in bankruptcy; and required States to have a program to collect child support obligations which are being enforced under a State child support enforcement program by reducing the unemployment benefits of an absent parent.

FAMILIES SERVED

State child support enforcement agencies are required to serve both AFDC and non-AFDC families. The program made collections on behalf of 548,000 AFDC families and 584,000 non-AFDC families in fiscal year 1981. (See Tables 2 and 3.) In 1982, an estimated 803,000 AFDC families will have collections made on their behalf, 205,000 of whom will have collections made through the new income tax intercept program.

FINANCING

Federal matching of 75 percent is available to pay State costs of administering the child support enforcement program. Costs of developing or improving management information systems are matched at 90 percent. Collections made on behalf of families receiving AFDC directly offset AFDC benefit costs and are shared between the Federal Government and the States in accordance with the matching formula used for the AFDC program. In addition, States and localities receive incentive payments equal to 15 percent of each collection made on behalf of an AFDC family. These incentive payments are deducted solely from the Federal share of collections.

TABLE 1.—COLLECTIONS AND COSTS UNDER THE PROGRAM

[Dollars in millions]

	Fiscal year	
	1981	1982
Collections (AFDC families):		
Total (Federal and State)	$688	$872
Federal share	268	323
Administrative costs:		
Total (Federal and State)	542	648
Federal share	421	490
Net collections (collections minus costs):		
Total (Federal and State)	146	224
Federal share	—153	—167

ADMINISTRATION

The Secretary of Health and Human Services is required to establish a separate organizational unit under the direct control of an individual who has been designated by, and reports directly to, the Secretary himself. At the present time the Commissioner of Social Security is that designee. At the State and local levels, the child support program must also be administered by a separate and distinct administrative unit.

TABLE 2.—NUMBER OF ABSENT PARENTS FROM WHOM A COLLECTION WAS MADE IN 2D MONTH OF EACH QUARTER ON BEHALF OF AFDC FAMILIES

[By State and quarter, fiscal year 1981]

	1st quarter	2d quarter	3d quarter	4th quarter	Average
Total	498,943	529,583	582,714	579,553	547,698
Alabama	16,454	17,093	18,417	21,626	18,398
Alaska	288	517	691	955	613
Arizona	1,040	1,096	1,256	[1] 983	1,094
Arkansas	2,886	2,882	2,927	[2] 3,380	3,019
California	76,681	83,570	96,013	91,859	87,030
Colorado	3,108	3,585	3,072	3,521	3,322
Connecticut	10,362	11,053	11,623	11,943	11,245
Delaware	2,017	2,201	2,506	2,526	2,313
District of Columbia	791	758	841	[3] 1,000	[3] 848
Florida	9,670	9,669	10,172	9,835	9,837
Georgia	6,864	6,756	8,181	7,638	7,360
Guam	106	101	97	104	102
Hawaii	1,990	2,587	2,415	2,282	2,319
Idaho	1,121	1,211	1,104	1,053	1,122
Illinois	12,114	13,193	15,058	14,504	13,718

TABLE 2.—NUMBER OF ABSENT PARENTS FROM WHOM A COLLECTION WAS MADE IN 2D MONTH OF EACH QUARTER ON BEHALF OF AFDC FAMILIES—Continued

[By State and quarter, fiscal year 1981]

	1st quarter	2d quarter	3d quarter	4th quarter	Average
Indiana	7,732	7,990	8,700	8,482	8,226
Iowa	8,267	8,363	14,916	13,432	11,245
Kansas	3,599	3,644	3,910	3,901	3,764
Kentucky	4,358	4,632	4,674	4,888	4,638
Louisiana	6,585	6,981	6,479	6,561	6,652
Maine	4,113	4,180	4,453	4,441	4,297
Maryland	15,178	14,043	15,838	15,193	15,063
Massachusetts	20,173	20,555	22,276	25,583	22,147
Michigan	70,947	68,964	73,550	69,941	70,851
Minnesota	13,323	13,312	14,831	13,948	13,854
Mississippi [4]	2,692	2,577	2,947	2,810	2,757
Missouri	4,627	4,998	5,433	5,133	5,048
Montana	732	681	728	746	722
Nebraska	1,368	1,498	1,662	1,707	1,559
Nevada	1,738	2,039	2,139	1,989	1,977
New Hampshire	2,571	1,601	2,171	2,027	1,093
New Jersey	24,614	28,273	30,351	31,412	28,663
New Mexico	1,435	1,574	1,704	1,792	1,626
New York	[5] 26,037	35,636	43,059	41,068	36,450
North Carolina	10,373	9,659	11,223	11,230	10,622
North Dakota	1,012	992	1,157	1,133	1,074
Ohio	22,349	27,450	29,487	25,101	26,097
Oklahoma	1,710	1,870	2,261	2,365	2,052
Oregon	6,647	6,070	6,145	6,456	6,330
Pennsylvania	19,610	20,216	20,055	[6] 29,741	[6] 22,406
Puerto Rico	1,949	2,059	2,098	2,069	2,044
Rhode Island	2,876	3,082	3,541	3,203	3,176
South Carolina	4,568	3,700	4,154	3,941	4,091
South Dakota	929	1,009	1,041	1,086	1,071
Tennessee	5,415	6,367	5,887	6,654	6,081
Texas	4,900	5,357	6,042	5,181	5,370
Utah	3,525	4,125	5,518	5,482	4,663
Vermont	1,432	1,772	1,836	2,070	1,778
Virgin Islands	90	120	118	133	114
Virginia	9,202	10,441	[7] 6,154	10,437	[7] 9,059
Washington	14,997	16,284	17,117	11,914	15,078
West Virginia	1,832	1,757	1,780	1,946	1,829

TABLE 2.—NUMBER OF ABSENT PARENTS FROM WHOM A COLLECTION WAS MADE IN 2D MONTH OF EACH QUARTER ON BEHALF OF AFDC FAMILIES—Continued

[By State and quarter, fiscal year 1981]

	1st quarter	2d quarter	3d quarter	4th quarter	Average
Wisconsin	19,600	19,088	22,550	20,816	20,514
Wyoming	346	352	356	331	347

[1] In the 4th quarter, Arizona adjusted this data to reflect more accurate reporting. In prior quarters, cases connected with terminated grants were included.

[2] In Arkansas, the large increase in the 4th quarter was a result of a field reorganization to increase case processing.

[3] In the District of Columbia, the notable increase in the 4th quarter is due to the implementation of an automatic billing system.

[4] Data for Mississippi does not include interstate cases with collections.

[5] The reported figure for the 1st quarter for New York does not include data from New York City.

[6] The large increase reported in Pennsylvania for the 4th quarter was due to several large counties providing actual figures rather than estimates as in prior quarters.

[7] In the 3d quarter, Virginia provided an estimated figure.

Source: Office of Child Support Enforcement, Department of Health and Human Services.

TABLE 3.—NUMBER OF ABSENT PARENTS FROM WHOM A COLLECTION WAS MADE IN 2D MONTH OF EACH QUARTER ON BEHALF OF NON-AFDC FAMILIES

[By State and quarter, fiscal year 1981]

	1st quarter	2d quarter	3d quarter	4th quarter	Average
Total	289,099	559,634	597,810	830,124	583,988
Alabama	24	27	20	32	26
Alaska	1,657	1,687	2,193	2,330	1,967
Arizona	[1] 4,183	[1] 4,508	[1] 4,756	[1] 4,705	4,538
Arkansas	2,112	2,146	2,076	2,213	2,137
California	51,162	55,819	59,853	60,249	56,771
Colorado	3,028	3,023	1,829	3,970	2,963
Connecticut	(2)	(2)	(2)	(2)	(3)
Delaware	3,222	3,238	3,334	3,413	3,302
District of Columbia	169	159	180	[4] 290	200
Florida	1,132	1,975	2,127	2,528	1,941
Georgia	1,744	1,738	2,536	2,053	2,018
Guam	28	37	43	47	39
Hawaii	(2)	439	(2)	(2)	439
Idaho	423	384	458	474	435
Illinois	3,040	3,282	3,549	3,822	3,424
Indiana	1,087	1,137	1,237	1,375	1,209
Iowa	2,116	3,650	3,711	4,199	3,419
Kansas	1,022	1,008	798	950	945
Kentucky	[5] 1,964	[5] 1,712	[5] 2,247	[5] 2,382	2,077
Louisiana	(2)	(2)	8,097	7,314	7,706

TABLE 3.—NUMBER OF ABSENT PARENTS FROM WHOM A COLLECTION WAS MADE IN 2D MONTH OF EACH QUARTER ON BEHALF OF NON-AFDC FAMILIES—Continued

[By State and quarter, fiscal year 1981]

	1st quarter	2d quarter	3d quarter	4th quarter	Average
Maine	189	179	200	216	196
Maryland	3,316	3,265	([2])	11,977	6,186
Massachusetts	([2])	([2])	([2])	([2])	([3])
Michigan	([1] [2])	[1] 241,406	[1] 247,521	[1] 444,380	248,148
Minnesota	5,481	5,552	5,962	5,834	5,708
Mississippi	222	241	272	257	248
Missouri	1,559	1,683	1,930	1,843	1,754
Montana	448	367	240	259	327
Nebraska	1,509	1,785	4,001	8,149	3,861
Nevada	4,479	4,830	4,998	4,294	4,651
New Hampshire	([2])	([2])	([2])	([2])	([3])
New Jersey	25,719	25,406	33,787	31,608	29,130
New Mexico	842	1,007	1,044	1,190	1,021
New York	[6] 36,526	49,525	53,613	53,817	48,370
North Carolina	3,025	2,788	3,252	3,695	3,190
North Dakota	86	81	107	120	99
Ohio	1,164	1,196	2,312	2,756	1,857
Oklahoma	578	630	772	894	719
Oregon	31,712	32,575	32,354	33,245	32,472
Pennsylvania	58,022	60,972	65,993	[7] 81,777	[7] 66,691
Puerto Rico	[8] 16,008	16,695	17,287	17,565	16,889
Rhode Island	289	294	316	278	294
South Carolina	162	[1] 770	[1] 863	781	644
South Dakota	402	371	387	404	391
Tennessee	5,735	6,868	6,206	6,122	6,233
Texas	2,406	2,376	2,826	3,368	2,744
Utah	405	431	621	500	489
Vermont	205	220	179	170	194
Virgin Islands	182	191	153	224	188
Virginia	1,026	1,163	563	1,558	1,078
Washington	5,573	6,088	7,501	5,697	6,215
West Virginia	171	141	174	[9] 255	186
Wisconsin	3,444	4,453	3,189	4,418	3,876
Wyoming	101	116	143	127	122

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[1] Data for Arizona, Michigan, and South Carolina are inconsistent, as the States reported a larger number of non-AFDC cases with collections than their actual non-AFDC caseloads. Michigan's 1st-quarter data was inconsistent and divergent, and therefore omitted from the table.

[2] The reporting form was submitted, however this item was not available.

[3] Insufficient data was reported to perform the indicated computation (averages, ratios, percentages).

[4] The substantial increase noted in the 4th quarter for the District of Columbia is the result of the implementation of an automatic billing system.

[5] Kentucky's reported non-AFDC cases with collections are based upon information from only 20 of the 118 counties with cooperative agreements in the 1st quarter, 11 in the 2d quarter, 25 in the 3d quarter, and 79 in the 4th quarter.

[6] The 1st-quarter figure for New York State is understated, as New York City data was not included.

[7] The increase in the 4th-quarter figure for Pennsylvania is due to actual case counts being made. instead of estimates as used previously.

[8] Data for Puerto Rico are considerably larger than in prior years as a result of a report filed by the Office of Court Administration concerning the State's non-AFDC child-support activities.

[9] West Virginia's 4th quarter figure is substantially larger than prior quarters due to emphasis being placed on the coding of these cases to the computer system.

Source: Office of Child Support Enforcement, Department of Health and Human Services.

TABLE 4.—NUMBER OF PARENTS LOCATED, FISCAL YEAR 1981

State	Parents located
Total	704,995
Alabama	12,768
Alaska	1,291
Arizona	6,275
Arkansas	2,134
California	112,584
Colorado	15,906
Connecticut	5,559
Delaware	2,294
District of Columbia	1,460
Florida	38,893
Georgia	12,293
Guam	487
Hawaii	5,880
Idaho	850
Illinois	6,393
Indiana	9,015
Iowa	18,423
Kansas	10,339
Kentucky	14,035
Louisiana	9,287
Maine	1,787
Maryland	18,650
Massachusetts	[1] 22,650
Michigan	32,495
Minnesota	15,546
Mississippi	15,841
Missouri	7,582
Montana	2,471
Nebraska	[2] 2,800
Nevada	3,810
New Hampshire	2,061
New Jersey	32,220

TABLE 4.—NUMBER OF PARENTS LOCATED, FISCAL YEAR 1981—Continued

State	Parents located
New Mexico	10,004
New York	52,119
North Carolina	19,635
North Dakota	847
Ohio	21,098
Oklahoma	12,242
Oregon	18,126
Pennsylvania	16,738
Puerto Rico	14,371
Rhode Island	2,506
South Carolina	5,936
South Dakota	1,521
Tennessee	8,750
Texas	19,360
Utah	19,103
Vermont	576
Virgin Islands	360
Virginia	12,904
Washington	7,183
West Virginia	4,699
Wisconsin	11,040
Wyoming	1,798

[1] [illegible] only.

[2] Non-AFDC only.

Source: Office of Child Support Enforcement, Department of Health and Human Services.

TABLE 5.—PERCENTAGE OF AFDC ASSISTANCE PAYMENTS RECOVERED THROUGH CHILD SUPPORT COLLECTIONS, FISCAL YEAR 1981

State	Percent
Total	5.25
Alabama	6.48
Alaska	2.25
Arizona	2.55
Arkansas	5.26
California	3.95
Colorado	5.07
Connecticut	7.62
Delaware	6.24
District of Columbia	1.55
Florida	5.94

TABLE 5.—PERCENTAGE OF AFDC ASSISTANCE PAYMENTS RECOVERED THROUGH CHILD SUPPORT COLLECTIONS, FISCAL YEAR 1981—Continued

State	Percent
Georgia	5.03
Guam	2.97
Hawaii	3.35
Idaho	12.06
Illinois	1.58
Indiana	6.97
Iowa	10.25
Kansas	5.98
Kentucky	2.95
Louisiana	5.69
Maine	8.14
Maryland	7.03
Massachusetts	7.42
Michigan	7.94
Minnesota	8.37
Mississippi	3.68
Missouri	3.35
Montana	5.55
Nebraska	6.44
Nevada	7.10
New Hampshire	8.03
New Jersey	[1] 6.09
New Mexico	4.16
New York	[1] 3.24
North Carolina	7.47
North Dakota	9.78
Ohio	5.03
Oklahoma	2.46
Oregon	11.99
Pennsylvania	4.89
Puerto Rico	1.14
Rhode Island	4.84
South Carolina	5.61
South Dakota	7.10
Tennessee	4.13
Texas	6.34
Utah	16.28
Vermont	4.96
Virgin Islands	5.33
Virginia	5.02

TABLE 5.—PERCENTAGE OF AFDC ASSISTANCE PAYMENTS RECOVERED THROUGH CHILD SUPPORT COLLECTIONS, FISCAL YEAR 1981—Continued

State	Percent
Washington	8.11
West Virginia	3.60
Wisconsin	8.66
Wyoming	6.32

[1] Estimated.

Source: Office of Child Support Enforcement, Department of Health and Human Services.

TABLE 6.—AFDC CHILD SUPPORT COLLECTIONS PER DOLLAR OF TOTAL ADMINISTRATIVE EXPENDITURES, FISCAL YEAR 1981

State	Dollars
Total	1.31
Alabama	0.89
Alaska	0.31
Arizona	0.43
Arkansas	0.79
California	1.05
Colorado	0.79
Connecticut	2.02
Delaware	0.80
District of Columbia	0.42
Florida	1.14
Georgia	1.55
Guam	0.72
Hawaii	1.58
Idaho	1.82
Illinois	0.92
Indiana	1.68
Iowa	2.62
Kansas	1.37
Kentucky	0.72
Louisiana	0.78
Maine	2.64
Maryland	1.24
Massachusetts	2.90
Michigan	2.88
Minnesota	1.58
Mississippi	1.16
Missouri	0.87
Montana	0.93

TABLE 10.—EMERGENCY ASSISTANCE: FAMILIES RECEIVING ASSISTANCE AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980—Continued

[Authorized to needy families with children under title IV–A]

State	Number of families			Amount of assistance payments			
				Total			Medical care
	Total	AFDC cash payment cases	Other	Amount	Average per family	Maintenance	
Oklahoma	628	100	528	149,332	237.79	149,332	0
Oregon	1,050	0	1,050	234,547	223.38	232,613	1,934
Pennsylvania	69	69	0	10,162	147.28	9,580	582
Puerto Rico	0	0	0	0	([2])	0	0
Virgin Islands	0	0	0	0	([2])	0	0
Virginia	20	8	12	5,067	([2])	4,654	413
Washington	838	192	646	147,315	175.79	147,315	0
West Virginia	712	328	384	63,004	88.49	62,884	120
Wisconsin	68	68	0	15,769	231.90	15,769	0
Wyoming	158	0	158	14,249	90.18	0	14,249

[1] Number of families not reported by Missouri and New York.

[2] Average payment not computed on base of fewer than 50 families.

Source: Department of Health and Human Services.

TABLE 6.—AFDC CHILD SUPPORT COLLECTIONS PER DOLLAR OF TOTAL ADMINISTRATIVE EXPENDITURES, FISCAL YEAR 1981—Continued

State	Dollars
Nebraska	1.27
Nevada	0.33
New Hampshire	2.17
New Jersey	1.16
New Mexico	0.87
New York	0.75
North Carolina	1.36
North Dakota	1.51
Ohio	1.66
Oklahoma	0.46
Oregon	1.16
Pennsylvania	1.24
Puerto Rico	0.58
Rhode Island	2.28
South Carolina	2.45
South Dakota	1.19
Tennessee	0.75
Texas	0.57
Utah	1.63
Vermont	2.15
Virgin Islands	0.49
Virginia	1.24
Washington	1.63
West Virginia	0.91
Wisconsin	2.90
Wyoming	1.93

Source: Office of Child Support Enforcement, Department of Health and Human Services.

TABLE 7.—TOTAL CHILD SUPPORT COLLECTIONS PER DOLLAR OF TOTAL ADMINISTRATIVE EXPENDITURES, FISCAL YEAR 1981

State	Dollars
Total	3.21
Alabama	0.89
Alaska	2.37
Arizona	3.08
Arkansas	1.42
California	2.10

TABLE 7.—TOTAL CHILD SUPPORT COLLECTIONS PER DOLLAR OF TOTAL ADMINISTRATIVE EXPENDITURES, FISCAL YEAR 1981—Continued

State	Dollars
Colorado	2.16
Connecticut	3.82
Delaware	2.76
Dist. of Col	0.59
Florida	1.58
Georgia	1.73
Guam	0.92
Hawaii	3.81
Idaho	2.24
Illinois	1.04
Indiana	2.05
Iowa	3.70
Kansas	1.79
Kentucky	2.45
Louisiana	1.87
Maine	3.17
Maryland	2.75
Massachusetts	4.02
Michigan	10.63
Minnesota	2.34
Mississippi	1.27
Missouri	1.68
Montana	1.51
Nebraska	4.56
Nevada	1.51
New Hampshire	2.28
New Jersey	3.82
New Mexico	1.25
New York	2.23
North Carolina	1.98
North Dakota	1.89
Ohio	1.71
Oklahoma	0.66
Oregon	9.19
Pennsylvania	7.41
Puerto Rico	1.98
Rhode Island	2.37
South Carolina	2.94
South Dakota	1.72
Tennessee	2.16

TABLE 7.—TOTAL CHILD SUPPORT COLLECTIONS PER DOLLAR OF TOTAL ADMINISTRATIVE EXPENDITURES, FISCAL YEAR 1981—Continued

State	Dollars
Texas	0.80
Utah	1.95
Vermont	2.44
Virgin Islands	1.41
Virginia	1.40
Washington	2.70
West Virginia	0.97
Wisconsin	3.71
Wyoming	2.81

Source: Office of Child Support Enforcement, Department of Health and Human Services.

10. SUPPLEMENTAL SECURITY INCOME

GENERAL

The supplemental security income (SSI) program, authorized by title XVI of the Social Security Act, is a federally administered income support program for the aged, blind and disabled. The program was enacted in 1972 and became effective on January 1, 1974, replacing the former State-administered programs of aid to the aged, blind and disabled.

The total number of individuals receiving SSI has remained relatively stable over recent years. In January 1975 there were about 4.0 million aged, blind and disabled recipients receiving federally administered benefits. The number grew to 4.3 million in subsequent months, but began to decline in 1976. In October 1981, there were again 4.0 million individuals receiving federally administered benefits. (See Tables 1 and 2.)

About 80 percent of SSI applications are being made on the basis of disability, which has been the case since 1976. In addition, about two-thirds of all new awards in recent years have been made to persons determined to be disabled. (See Table 3.) Out of the 4.0 million persons receiving federally administered benefits in October 1981, 2.3 million came onto the rolls as the result of being determined to be disabled. (401,000 of these individuals have now reached age 65, but are still listed by the Social Security Administration as being disabled.)

The Social Security Disability Amendments of 1980 included a number of provisions designed to strengthen the disability determination process and to provide incentives for disabled persons to seek employment.

Only relatively minor changes in the SSI program were made by the Omnibus Budget Reconciliation Act of 1981. It provided for changing the prior quarterly prospective method of accounting to a monthly retrospective method. It also allowed the three States (California, Massachusetts and Wisconsin) that had previously been providing cash in lieu of food stamps to SSI recipients to continue to do so, as long as they continue to meet certain specified conditions. (Massachusetts now provides food stamps.) It required notification of the Secretary of Health and Human Services by the Secretary of the Treasury of all benefit checks which have not been cashed within 180 days after the date of issuance, and required the Secretary of HHS to return amounts which represent State supplementary payments to the State. It limited payment to State vocational rehabilitation agencies by authorizing reimbursement only for services provided to SSI recipients who subseqently perform substantial gainful activity which lasts for a continuous period of 9 months.

ELIGIBILITY

In order to be eligible for SSI, an individual must be age 65, or meet Federal definitions of blindness or disability. The blind are individuals with 20/200 vision or less with the use of a correcting lens in the person's better eye, or those with tunnel vision of 20 degrees or less. Disabled individuals are those unable to engage in any substantial gainful activity by reason of a medically determined physicial or mental impairment expected to result in death or that has lasted, or can be expected to last, for a continuous period of at least 12 months. Additionally a child under age 18 who has an impairment of comparable severity with that of an adult may be considered disabled.

An assets test must also be met. Countable resources may not exceed $1,500 for an individual, and $2,250 for a couple. Excluded from the assets test are:

- the full value of a home;
- the first $2,000 in equity value of household goods and personal effects;
- and an automobile to the extent that its current market value does not exeed $4,500, or an automobile of any value if it meets certain use requirements.

Assets, tools and other property essential to self-support of the blind or the disabled are also excluded. Recipients must also have countable income below the Federal benefit level, or if they live in a State that makes optional State supplementary payments, below the benefit level set by the State. An individual who is a resident or an inmate of a public institution is ineligible for SSI unless the institution is a facility approved for medicaid payments, is receiving such payments on behalf of the person, and these payments represent more than 50 percent of the cost of services provided by the facility to the person. SSI payments may be made to persons in publicly operated community residences serving no more than 16 persons.

An individual who is a resident of a public institution is ineligible for SSI unless the institution is a facility approved for medicaid payments, is receiving such payments on behalf of the person, and these payments represent more than 50 percent of the cost of services provided by the facility to the person. SSI payments may be made to persons in publicly operated community residences serving no more than 16 persons.

BENEFITS

Currently the Federal monthly benefit amount is $264.70 for an individual, and $397.00 for a married couple. Benefits are increased annually in July if the Consumer Price Index (CPI) for the first quarter of the calendar year is at least 3 percent higher than for the first quarter of the previous year. The amount of the increase reflects the change in the CPI; the SSI percentage increase is the same as for title II social security benefits. (The estimated benefit increase which will take effect in July is 7.6 percent.) States may choose to supplement the Federal payment. At the present time, 25 States plus the District of Columbia pay optional State supplementary payments which range from $10 to $261 for an individual living independently. (See Tables 4 and 5.)

States must provide categorical eligibility for medicaid benefits to persons receiving SSI, or, at their option, to those SSI recipients who meet the State's January 1972 criteria for medicaid coverage. (See Table 6.)

A person living in another's household and receiving support and maintenance from him is eligible for only two-thirds of the maximum SSI benefit. For the year July 1981-June 1982, this reduced benefit amount is $176.47.

DETERMINING INCOME

The amount actually payable to a recipient is determined by subtracting from the benefit level the amount of income the recipient has from other sources. In making this computation, some types of income are not counted. For example, there is excluded the first $20 of monthly income from any source so long as it is not based on need. Thus, $20 in social security benefits, private pension payments, or interest will not be counted. In addition, for an individual or couple with earnings, the first $65 a month plus 50 percent of additional earnings is disregarded. For the blind and disabled only, the cost of an approved plan to achieve self-support is also disregarded and reasonable work expenses associated with the disability are also disregarded. Income received in sheltered workshops and work activity centers is considered earned income and qualifies for earned income disregards.

For purposes of the SSI program, income is anything that is received in cash or in kind that can be used to meet the recipient's needs of food, clothing, or shelter. However, there are certain items that are not considered to be income. Medical care and services are not income if they meet specified criteria, including assistance provided in cash or in kind under a governmental program; in-kind assistance provided under a nongovernmental program whose purpose is to provide medical care or services; and direct payment of medical insurance premiums by a third party. Social services are not income if they are assistance provided in cash or in kind under a governmental program whose purpose is to provide social services; and in-kind assistance provided under a nongovernmental program whose purpose is to provide social services. There are other items specified in statute and regulations which are not considered income, including items specifically excluded by other statutes (such as food stamps); income tax refunds; proceeds of a loan; scholarships; and others.

As countable income (total income minus disregarded income) increases, a recipient's SSI payment level decreases. Eligibility for SSI ends when countable income equals the Federal benefit plus maximum State supplemental payment levels.

FEDERAL INCOME ELIGIBILITY CEILINGS UNDER SSI, JULY 1981 TO JUNE 1982

	Receiving only social security or other income other than wages		Receiving only wage income	
	Monthly	Annually	Monthly	Annually
Single	$284.70	$3,416.40	$614.40	$7,372.80
Couple	417.00	5,004.00	879.00	10,548.00

DEEMING OF INCOME AND RESOURCES

For purposes of determining eligibility for and the amount of benefits for any individual who is married and whose spouse is living with him in the same household but is not eligible, such individual's income and resources are deemed to include any income and resources of the spouse, whether or not available to the individual, except to the extent determined by the Secretary. A similar "deeming" rule also applies in the case of children under age 18 who are living with their parents. The Department has issued extensive regulations which set forth the types and amounts of income and resources which are not to be "deemed."

The Social Security Disability Amendments of 1980 included a provision which also requires a "deeming" procedure to be used for certain legal aliens. (Illegal aliens are not eligible for SSI.) Legally admitted aliens who apply for SSI benefits after September 30, 1980 are deemed to have the income and resources of their immigration sponsors available for their support for a period of 3 years after their entry into the United States, unless the alien becomes blind or disabled after entry. This provision does not apply to refugees or to persons granted political asylum.

FINANCING AND ADMINISTRATION

The Federal Government administers and finances Federal SSI benefit payments. The Federal administering agency is the Social Security Administration. Benefits are funded from Federal general revenues.

The average number of recipients receiving federally administered SSI payments as estimated by the Administration is as follows:

[In thousands of dollars]

	Fiscal year—	
	1981	1982
Aged	1,506	1,448
Blind and disabled	2,157	2,206
Total, Federal	3,663	3,654

	Fiscal year—	
	1981	1982
State supplementary payments only	448	472
Total, SSI	4,111	4,126

According to the Social Security Administration, Federal program costs are estimated as follows:

[In millions of dollars]

	Fiscal year—	
	1981	1982
Federal Benefits (present law)	6,396	7,049
Hold-Harmless Payments	35	23
Beneficiary Services and Related Costs	20	84
Budget Authority	(38)	(3)
Administrative & Other Costs	720	822
Total	7,171	7,978

The States also play a significant role in the SSI program. As noted above, 25 States and the District of Columbia are currently paying optional supplements to individuals who are living independently. Additional States provide supplements to persons in particular situations. States may elect to administer their own optional supplementary payments (25 have made this election), or may contract with the Social Security Administration for Federal administration (17 have made this election) so that the monthly payment of Federal and State benefits combined is included in a single check issued by the Federal Treasury. Under a "grandfather" clause, States must also maintain the benefit levels of former public assistance recipients transferred to the SSI program. These mandatory supplements may also be administered by either the Federal Government or the State, at State election. If a State chooses Federal administration of its State supplements, the cost of administration is paid by the Federal Government. In this case the State must generally make supplements to all those who meet Federal eligibility rules. If a State elects to administer its own supplementation program, it must pay the cost, but may restrict eligibility to a more limited population. (See Table 6.)

As noted above, Federal benefits are estimated to cost $6,396 million in 1981, and $7,049 million in 1982. State financed supplements to the Federal benefit (administered by the Federal Government) are estimated at $1,804 million in 1981, and $1,890 million in 1982.

RECIPIENT CHARACTERISTICS

In December 1980, 88 percent of all recipients lived in their own households. Six percent lived in the household of another, and about 5 percent were receiving medicaid in an institution. About 65 percent had income from some other source. Fifty-one percent were receiving social security benefits (70 percent of the aged and 36 percent of the disabled), 11 percent had other unearned income, and about 3 percent had earned income. Sixty-four percent of the caseload was white; 28 percent was black. Two-thirds were female.

TABLE 1.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS AND TOTAL AMOUNT, 1974–81 [1]

Period	Number of persons [2]				Amount of payments (in thousands)		
	Total	Aged	Blind	Disabled	Total	Federal SSI	State supplementation [2]
January 1974	3,215,632	1,865,109	72,390	1,278,133	$365,149	$260,159	$104,989
December 1974	3,996,064	2,285,909	74,616	1,635,539	450,856	340,853	110,003
December 1975	4,314,275	2,307,105	74,489	1,932,681	493,495	374,419	119,076
December 1976	4,235,939	2,147,697	76,366	2,011,876	507,060	386,440	120,620
December 1977	4,237,692	2,050,921	77,362	2,109,409	527,658	402,743	124,915
December 1978	4,216,925	1,967,900	77,135	2,171,890	546,567	420,454	126,113
December 1979	4,149,575	1,871,716	77,250	2,200,609	645,890	456,808	189,082
December 1980	4,142,017	1,807,776	78,401	2,255,840	694,938	527,884	167,054
1980:							
October	4,156,149	1,824,712	78,043	2,253,394	702,219	533,266	168,953
November	4,146,447	1,815,207	78,204	2,253,036	696,145	528,521	167,624
December	4,142,017	1,807,776	78,401	2,255,840	694,938	527,884	167,054

TABLE 1.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS AND TOTAL AMOUNT, 1974–81 [1]—Continued

Period	Number of persons [2]				Amount of payments (in thousands)		
	Total	Aged	Blind	Disabled	Total	Federal SSI	State supplementation [2]
1981:							
January	4,147,776	1,804,252	78,623	2,264,901	685,460	529,247	156,213
February	4,133,305	1,791,635	78,425	2,263,245	680,530	525,779	154,751
March	4,115,666	1,775,725	78,417	2,261,524	681,534	526,730	154,805
April	4,133,346	1,777,400	78,846	2,277,100	691,484	535,032	156,451
May	4,107,758	1,761,294	78,517	2,267,947	681,173	523,737	157,436
June	4,098,895	1,753,213	78,511	2,267,171	682,006	526,889	155,117
July	4,069,743	1,725,922	78,490	2,265,331	741,696	583,919	157,777
August	4,042,800	1,709,934	78,196	2,254,670	733,037	577,422	155,615
September	4,037,881	1,701,964	78,371	2,257,546	736,244	580,048	156,195
October	4,030,123	1,692,324	78,426	2,259,373	743,702	579,069	164,633

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[1] Excludes emergency advance payments made by the Social Security Administration district offices. Figures not adjusted for returned checks and refunds of overpayments.

[2] Excludes data for State supplementation under State-administered programs.

Source: Department of Health and Human Services.

TABLE 2.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS, BY REASON FOR ELIGIBILITY AND STATE, OCTOBER 1981

State	Total	Aged	Blind	Disabled
Total [1]	4,030,123	1,692,324	78,426	2,259,373
Alabama [2]	130,712	71,424	1,928	57,360
Alaska [2]	3,119	1,162	56	1,901
Arizona [2]	29,058	10,863	575	17,620
Arkansas	75,044	39,910	1,472	33,662
California	697,887	303,060	18,121	376,706
Colorado [2]	29,435	11,991	363	17,081
Connecticut [2]	23,368	6,952	387	16,029
Delaware	6,953	2,367	152	4,434
District of Columbia	15,059	4,071	207	10,781
Florida	172,276	82,930	2,786	86,560
Georgia	150,964	67,126	2,898	80,940
Hawaii	10,023	4,750	163	5,110
Idaho [2]	7,438	2,390	115	4,933
Illinois [2]	122,048	33,306	1,873	86,869
Indiana [2]	41,001	13,611	1,136	26,254
Iowa	25,075	9,961	1,028	14,086
Kansas	19,925	7,231	302	12,392
Kentucky [2]	92,086	38,592	2,033	51,461
Louisiania	131,517	59,815	2,140	69,562
Maine	20,874	8,888	293	11,693
Maryland	47,371	15,111	675	31,585
Massachusetts	112,094	56,635	5,057	50,402
Michigan	111,824	34,808	1,876	75,140
Minnesota [2]	30,823	11,802	633	18,388
Mississippi	111,059	58,670	1,810	50,579
Missouri [2]	81,034	36,232	1,323	43,479
Montana	6,772	2,125	135	4,512
Nebraska [2]	13,312	4,880	228	8,204
Nevada	6,710	3,420	458	2,832
New Hamphsire [2]	5,291	1,878	126	3,287
New Jersey	85,262	31,254	1,149	52,859
New Mexico [2]	24,950	9,921	454	14,575
New York	354,687	127,214	4,096	223,377
North Carolina [2]	136,923	60,166	3,045	73,712
North Dakota [2]	6,085	2,947	77	3,061
Ohio	116,832	31,839	2,312	82,681
Oklahoma [2]	63,886	31,085	979	31,822
Oregon [2]	22,090	6,891	493	14,706

TABLE 2.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS, BY REASON FOR ELIGIBILITY AND STATE, OCTOBER 1981—Continued

State	Total	Aged	Blind	Disabled
Pennsylavania	158,632	53,026	3,158	102,448
Rhode Island	14,794	5,633	206	8,955
South Carolina [2]	82,171	36,244	1,880	44,047
South Dakota	7,801	3,489	143	4,169
Tennessee	127,177	56,579	1,977	68,621
Texas [3]	255,395	138,942	4,215	112,238
Utah [2]	7,640	2,253	163	5,224
Vermont	8,723	3,378	120	5,225
Virginia [2]	79,443	32,750	1,400	45,293
Washington	43,923	14,124	567	29,232
West Virginia [2]	40,234	12,604	646	26,984
Wisconsin	60,975	24,994	943	35,038
Wyoming [2]	1,758	690	36	1,032
Other areas: Northern Mariana Islands[3]	589	339	18	232

[1] Includes persons with Federal SSI payments and/or federally administered State supplementation, unless otherwise indicated.

[2] Data for Federal SSI payments only. State has State-administered supplementation.

[3] Data for Federal SSI payments only. State supplementary payments not made.

Source: Department of Health and Human Services.

TABLE 3.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: NUMBER OF PERSONS INITIALLY AWARDED FEDERALLY ADMINISTERED PAYMENTS, BY REASON FOR ELIGIBILITY, 1974–81

Period	Total	Aged	Blind	Disabled
1974 [1]	890,768	498,555	5,206	387,007
1975	702,147	259,823	5,834	436,490
1976	542,355	171,798	4,735	365,822
1977	557,570	189,750	5,753	362,067
1978	532,447	177,224	6,375	348,848
1979	483,993	159,927	6,476	317,590
1980	496,137	169,862	7,576	318,699
1980:				
August	40,696	14,136	614	25,946
September	41,118	14,712	617	25,789
October	45,049	15,028	736	29,285
November	36,771	11,091	692	24,988
December	34,836	9,757	662	24,417
1981:				
January [2]	—	—	—	—

TABLE 3.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: NUMBER OF PERSONS INITIALLY AWARDED FEDERALLY ADMINISTERED PAYMENTS, BY REASON FOR ELIGIBILITY, 1974–81—Continued

Period	Total	Aged	Blind	Disabled
February	33,908	10,716	542	22,650
March	34,588	10,466	549	23,573
April	41,286	11,837	748	28,701
May	25,365	6,448	425	18,492
June	33,219	9,927	578	22,714
July	33,266	9,625	572	23,069
August	28,211	7,904	501	19,806

[1] Reflects data for May–December.

[2] Data not available.

Source: Department of Health and Human Services.

TABLE 4.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS:[1] JANUARY 1982, AGED INDIVIDUAL LIVING INDEPENDENTLY

	Maximum SSI benefit[2]	Food stamp benefit[3]	Combined benefits	
			Monthly	Annual
Alabama	$264.70	$53	$317.70	$3,812
Alaska	[4] 525.70	56	518.70	6,980
Arizona	264.70	53	317.70	3,812
Arkansas	264.70	53	317.70	3,812
California	[5] 439.00	[6] 0	439.00	5,268
Colorado	[7] 325.70	34	359.70	4,316
Connecticut	[8] 424.90	10	434.90	5,219
Delaware	264.70	53	317.70	3,812
District of Columbia	279.70	48	327.70	3,932
Florida	264.70	53	317.70	3,812
Georgia	264.70	53	317.70	3,812
Hawaii	279.90	95	374.90	4,499
Idaho	339.00	30	369.00	4,428
Illinois	[9] 364.70	22	381.70	4,640
Indiana	264.70	53	317.70	3,812
Iowa	[10] 264.70	53	317.70	3,812
Kansas	264.70	53	317.70	3,812
Kentucky	264.70	53	317.70	3,812
Louisiana	264.70	53	317.70	3,812
Maine	274.70	50	324.70	3,891
Maryland	264.70	53	317.70	3,812
Massachusetts	[11] 401.92	11	412.92	4,955
Michigan	289.00	45	334.00	4,008
Minnesota	299.00	42	341.00	4,092
Mississippi	264.70	53	317.70	3,812

TABLE 4.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS:[1] JANUARY 1982, AGED INDIVIDUAL LIVING INDEPENDENTLY—Continued

	Maximum SSI benefit[2]	Food stamp benefit[3]	Combined benefits	
			Monthly	Annual
Missouri	264.70	53	317.70	3,812
Montana	264.70	53	317.70	3,812
Nebraska	358.00	25	383.00	4,596
Nevada	[12] 311.40	39	350.40	4,205
New Hampshire	289.00	45	334.00	4,008
New Jersey (February 1982)	[13] 289.70	49	338.70	4,064
New Mexico	264.70	53	317.70	3,812
New York	327.91	33	360.91	4,331
North Carolina	264.70	53	317.70	3,812
North Dakota	264.70	53	317.70	3,812
Ohio	264.70	53	317.00	3,812
Oklahoma	343.70	29	372.70	4,472
Oregon	[14] 276.70	49	325.70	3,908
Pennsylvania	297.10	43	340.10	4,081
Rhode Island	311.46	39	350.46	4,206
South Carolina	264.70	53	317.70	3,812
South Dakota	[15] 279.70	48	329.70	3,932
Tennessee	264.70	53	317.70	3,812
Texas	264.70	53	317.70	3,812
Utah	274.70	50	324.70	3,896
Vermont	308.60	39	347.60	4,171
Virgina	264.70	53	317.70	3,812
Washington	[16] 303.00	41	344.00	4,128
West Virginia	264.70	53	317.70	3,812
Wisconsin	[17] 364.40	[6] 0	364.40	4,373
Wyoming	[15] 284.70	47	331.70	3,980
Northern Marianas	264.70	53	317.70	3,812

[1] In most States these maximums apply also to blind or disabled SSI recipients who are living in their own households; but some States provide different benefit schedules for each category. Available data on these variations are shown in following footnotes.

[2] Maximum amounts payable to an aged SSI recipient in combined Federal and State supplementary payments. The Federal floor benefit for the year July 1, 1981 through June 30, 1982 is $264.70.

[3] For one-person households, maximum food stamp benefits from January 1981 through Sept. 1982 are $70 in the 48 contiguous States and the District of Columbia, $108 in Alaska, and $95 in Hawaii. For the 48 contiguous States and D.C., the calculation of benefits assumes: (1) a "standard" deduction of $85 per month, (2) an "excess shelter expense" deduction of $115 per month (the maximum allowable for nonelderly, nondisabled households); and (3) an "excess medical" deduction of $6 monthly (estimated from 1978 medical expense information). For Alaska and Hawaii, higher deduction levels were used, as provided by law ($345 and $285 respectively, for combined standard and excess shelter allowance).

[4] Less if shelter costs less than $35 monthly.

[5] Higher if blind ($492).

[6] SSI recipients in California and Wisconsin are ineligible for food stamps. These States provide increased cash aid in lieu of stamps.

[7] Less if blind or disabled ($278 for each).

[8] Estimated maximum paid for aged individual with average shelter cost of $200 monthly. Higher if shelter costs are higher or special need exist. State decides benefits on case-by-case basis. Estimate provided by State official.

[9] Estimated maximum paid for aged individual with average shelter cost. State decides benefits on case-by-case basis. Estimate provided by State official.

[10] Higher if blind ($286.70).

[11] Higher if blind ($422.84); lower if disabled ($387.49). Massachusetts raised supplementary benefit levels on Nov. 1, 1981, retroactive to July 1981.

[12] Higher if blind ($384.30).

[13] Effective Feb. 1, 1982, New Jersey reduced SSI supplements for those living independently because of a court order regarding distribution of a special energy allowance among classes of recipients. Benefits shown include $12.50 per case for energy aid, disregarded by the food stamp program.

[14] Higher if blind ($301.70).

[15] State supplement paid only if recipient has no income other than Federal SSI payment.

[16] Sum paid in King, Pierce, Kitsay, Snohcmish, and Thurston Counties. Elsewhere the maximum benefit is $282.55.

[17] These levels took effect November 1; Wisconsin paid lower amounts in July–October 1981.

Source: Congressional Research Service.

TABLE 5.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS: [1] JANUARY 1982, AGED COUPLE LIVING INDEPENDENTLY

	Maximum SSI benefit [2]	Food stamp benefit [3]	Combined benefits	
			Monthly	Annual
Alabama	$397	$71	$468	$5,616
Alaska	[4] 773	70	843	10,116
Arizona	397	71	468	5,616
Arkansas	397	71	468	5,616
California	[5] 815	[6] 0	815	9,780
Colorado	[7] 652	0	652	7,824
Connecticut	[8] 636.20	10	646.20	7,754
Delaware	397	71	468	5,616
District of Columbia	427	62	489	5,868
Florida	397	71	468	5,616
Georgia	397	71	468	5,616
Hawaii	421.20	136	557.10	6,685
Idaho	464	51	515	6,180
Illinois	[9] 497	41	538	6,456
Indiana	397	71	468	5,616
Iowa	[10] 397	71	468	5,616
Kansas	397	71	468	5,616
Kentucky	397	71	468	5,616
Louisiana	397	71	468	5,616
Maine	412	66	478	5,736
Maryland	397	71	468	5,616
Massachusetts	[11] 611.32	10	621.32	7,456
Michigan	433.40	60	493.40	5,801

TABLE 5.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS:[1] JANUARY 1982, AGED COUPLE LIVING INDEPENDENTLY—Continued

	Maximum SSI benefit[2]	Food stamp benefit[3]	Combined benefits	
			Monthly	Annual
Minnesota	441	58	499	5,988
Mississippi	397	71	468	5,616
Missouri	397	71	468	5,616
Montana	397	71	468	5,616
Nebraska	534	30	564	6,768
Nevada	[12] 486.86	44	530.86	6,370
New Hampshire	413	66	479	5,748
New Jersey (February 1982)	[13] 416	69	485	5,820
New Mexico	397	71	468	5,616
New York	476.48	47	523.48	6,282
North Carolina	397	71	468	5,616
North Dakota	397	71	468	5,616
Ohio	397	71	468	5,616
Oklahoma	555	24	579	6,948
Oregon	[14] 407	68	475	5,700
Pennsylvania	445.70	56	501.70	6,020
Rhode Island	485.25	44	529.25	6,351
South Carolina	397	71	468	5,616
South Dakota	[15] 412	66	478	5,736
Tennessee	397	71	468	5,616
Texas	397	71	468	5,616
Utah	417	65	482	5,784
Vermont	[16] 478.40	46	524.40	6,293
Virginia	397	71	468	5,616
Washington	[17] 433.30	60	493.30	5,920
West Virginia	397	71	468	5,616
Wisconsin	[18] 558	[6] 0	588	7,056
Wyoming	[15] 437	59	496	5,952
Northern Marianas	397	71	468	5,616

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[1] In most States these maximums apply also to blind or disabled SSI recipients who are living in their own households; but some States provide different benefit schedules for each category. Available data on these variations are shown in following footnotes.

[2] Maximum amounts payable to an aged SSI recipient in combined Federal and State supplementary payments. The Federal floor benefit for the year July 1, 1981 through June 30, 1982 is $397 per couple.

[3] For 2-person households, maximum food stamp benefits from January 1981 through September 1982 are $128 in the 48 contiguous States and the District of Columbia, $197 in Alaska, and $175 in Hawaii.

For the 48 contiguous States and D.C., the calculation of benefits assumes: (1) a "standard" deduction of $85 per month, (2) an "excess shelter expense" deduction of $115 per month (the maximum allowable for nonelderly, nondisabled households); and (3) an "excess medical expense" deduction of $6 monthly (estimated from 1978 medical expense information). For Alaska and Hawaii, higher deduction levels were used, as provided by law ($345 and $285, respectively, for combined standard and excess shelter allowance.)

[4] Less if shelter costs less than $35 monthly.

[5] Higher if blind ($958).

[6] SSI recipients in California, and Wisconsin are ineligible for food stamps. These States provide increased cash aid in lieu of stamps.

[7] Less if blind or disabled ($556 each).

[8] Estimated maximum paid for aged couple with average shelter cost of $200 monthly. Higher if shelter costs are higher or special need exists. State decides benefits on case-by-case basis. Estimate provided by State official.

[9] Estimated maximum paid for aged couple with average shelter cost. State decides benefits on case-by-case basis. Estimate provided by State official.

[10] Higher if blind ($441).

[11] Higher if blind ($845.68), lower if disabled ($589.66). Massachusetts raised supplementary benefit levels on Nov. 1, 1981, retroactive to July 1981.

[12] Higher if blind ($768.60).

[13] Effective Feb. 1, 1982, New Jersey reduced SSI supplements for those living independently because of a court order regarding distribution of a special energy allowance among classes of recipients. Benefits shown include $12.50 per case for energy aid, disregarded by the food stamp program.

[14] Higher if blind ($438).

[15] State supplement paid only if recipient has no income other than Federal SSI payment.

[16] Sum paid only in Chittenden County ($452.70 elsewhere).

[17] Sum paid in King, Pierce, Kitsay, Snohomish, and Thurston Counties. Elsewhere the maximum benefit is $403.35.

[18] This level took effect Nov. 1; Wisconsin paid lower amounts in July–Oct. 1981.

Source: Congressional Research Service.

TABLE 6.—STATE DECISIONS ON ADMINISTRATION OF SUPPLEMENTS AND MEDICAID ELIGIBILITY, OCTOBER 1981 [1]

	Administration of State supplements		Medicaid eligibility	
	Mandatory	Optional	Criteria	Determinations by
Alabama	State	State	Title XVI	SSA.
Alaska	do	do	do	State.
Arizona	do	do	(2)	(2)
Arkansas	Federal	None	Title XVI	SSA.
California	do	Federal	do	SSA.
Colorado	State	State	do	SSA.
Connecticut	do	do	January 1972	State.
Delaware	Federal	Federal	Title XVI	SSA.
District of Columbia	do	do	do	SSA.
Florida	do	State	do	SSA.
Georgia	do	None	do	SSA.
Hawaii	do	Federal	January 1972	State.
Idaho	State	State	Title XVI	Do.
Illinois	do	do	January 1972	Do.
Indiana	do	do	do	Do.
Iowa	Federal	Federal	Title XVI	SSA.
Kansas	do	None	do	State.
Kentucky	State	State	do	SSA.
Louisiana	Federal	None	do	SSA.
Maine	do	Federal	do	SSA.

TABLE 6.—STATE DECISIONS ON ADMINISTRATION OF SUPPLEMENTS AND MEDICAID ELIGIBILITY, OCTOBER 1981 [1]—Continued

	Administration of State supplements		Medicaid eligibility	
	Mandatory	Optional	Criteria	Determinations by
Maryland	do	State	do	SSA.
Massachusetts	do	Federal	do	SSA.
Michigan	do	do	do	SSA.
Minnesota	State	State	January 1972	State.
Mississippi	Federal	None	do	SSA.
Missouri	State	State	January 1972	State.
Montana	Federal	Federal	Title XVI	SSA.
Nebraska	State	State	January 1972	State.
Nevada	Federal	Federal	Title XVI	Do.
New Hampshire	State	State	January 1972	Do.
New Jersey	Federal	Federal	Title XVI	SSA.
New Mexico	State	State	do	SSA.
New York	Federal	Federal	January 1972	State.
North Carolina	State	State	do	Do.
North Dakota	do	do	do	Do.
Ohio	Federal	None	do	Do.
Oklahoma	State	State	do	Do.
Oregon	do	do	Title XVI	Do.
Pennsylvania	Federal	Federal	do	SSA.
Rhode Island	do	do	do	SSA.
South Carolina	State	State	do	SSA.
South Dakota	Federal	do	do	SSA.
Tennessee	do	None	do	SSA.
Texas	None	do	do	SSA.
Utah	State	State	January 1972	State.
Vermont	Federal	Federal	Title XVI	SSA.
Virginia	State	State	January 1972	State.
Washington	Federal	Federal	Title XVI	SSA.
West Virginia	None	None	do	SSA.
Wisconsin	Federal	Federal	do	SSA.
Wyoming	State	State	do	SSA.

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[1] Under the supplemental security income (SSI) program States are allowed certain options. The table above shows State elections with respect to (1) whether the State or the Federal Government administers the State mandatory supplement program; (2) whether the State has an optional supplement program and who administers that program; (3) whether the criteria used in determining eligibility of SSI recipients for medicaid are the SSI eligibility criteria or the medicaid eligibility criteria in effect in January 1972; and (4) whether the State or the Social Security Administration makes the medicaid eligibility determination.

[2] No medicaid program.

Source: Information provided by the Social Security Administration table compiled by the Congressional Research Service.

TABLE 7.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: AMOUNT OF TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND STATE SUPPLEMENTARY PAYMENTS, 1974–81

[In thousands of dollars]

Period	Total	Federal SSI	State supplementation		
			Total	Federally administered	State administered [1]
1974	5,245,719	3,833,161	1,412,558	1,263,652	148,906
1975	5,878,224	4,313,538	1,564,686	1,402,534	162,152
1976	6,065,842	4,512,061	1,553,781	1,388,154	165,627
1977	6,306,041	4,703,292	1,602,749	1,430,794	171,955
1978	6,551,682	4,880,691	1,670,991	1,490,947	180,044
1979	7,075,408	5,279,181	1,796,227	1,589,544	206,683
1980	7,940,650	5,866,354	2,074,296	1,848,286	226,010
1980:					
October	720,937	533,266	187,671	168,953	18,718
November	715,540	528,521	187,019	167,624	19,395
December	714,793	527,884	186,909	167,054	19,855
1981:					
January	705,437	529,247	176,190	156,213	19,977
February	700,593	525,779	174,814	154,751	20,063
March	701,576	526,730	174,846	154,805	20,041
April	711,176	535,082	176,094	156,451	19,643
May	700,865	523,737	177,128	157,436	19,692
June	701,474	526,889	174,585	155,117	19,468
July	760,951	583,919	177,032	157,777	19,255
August	752,297	577,422	174,875	155,615	[2] 19,260
September	755,443	580,048	175,395	156,195	[3] 19,200
October	763,002	579,069	183,933	164,633	[3] 19,300

[1] Optional supplementation data for North Dakota not available by month but included in annual payment amounts.

[2] Revised.

[3] Partly estimated.

Source: Department of Health and Human Services.

TABLE 8.—SUPPLEMENTAL SECURITY INCOME: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERALLY ADMINISTERED STATE SUPPLEMENTARY PAYMENTS, BY STATE, FISCAL YEAR 1981

[In thousands of dollars]

State	Total	Federal SSI [1]	State supplementation [2]
Total [3]	8,259,719	6,398,955	1,860,764
Alabama	210,475	210,475	....
Alaska	6,063	6,063	....

TABLE 8.—SUPPLEMENTAL SECURITY INCOME: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERALLY ADMINISTERED STATE SUPPLEMENTARY PAYMENTS, BY STATE, FISCAL YEAR 1981—Continued

[In thousands of dollars]

State	Total	Federal SSI [1]	State supplementation [2]
Arizona	57,511	57,511	
Arkansas	114,387	114,323	64
California	2,056,682	801,495	1,255,187
Colorado	50,160	50,160	
Connecticut	42,784	42,784	
Delaware	11,994	11,548	446
District of Columbia	33,516	29,537	3,979
Florida	328,300	328,300	
Georgia	252,721	252,642	79
Hawaii	21,513	17,187	4,326
Idaho	12,357	12,357	
Illinois	227,599	227,599	
Indiana	65,979	65,979	
Iowa	37,101	36,134	967
Kansas	30,201	30,130	71
Kentucky	165,551	165,551	
Louisiana	236,774	236,625	149
Maine	30,654	26,171	4,483
Maryland	89,421	89,229	192
Massachusetts	244,778	129,149	115,629
Michigan	247,160	183,171	63,989
Minnesota	44,845	44,845	
Mississippi	184,542	184,483	59
Missouri	137,896	137,896	
Montana	11,766	11,073	693
Nebraska	20,914	20,914	
Nevada	12,171	9,578	2,593
New Hampshire	8,704	8,704	
New Jersey	170,690	144,032	26,658
New Mexico	45,140	45,140	
New York	839,795	615,211	224,584
North Carolina	227,863	227,863	
North Dakota	9,316	9,316	
Ohio	218,267	218,158	109
Oklahoma	105,645	105,645	
Oregon	38,315	38,315	
Pennsylvania	327,833	269,974	57,859
Rhode Island	26,798	20,216	6,582

TABLE 8.—SUPPLEMENTAL SECURITY INCOME: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERALLY ADMINISTERED STATE SUPPLEMENTARY PAYMENTS, BY STATE, FISCAL YEAR 1981—Continued

[In thousands of dollars]

State	Total	Federal SSI [1]	State supplementation [2]
South Carolina	135,312	135,312	
South Dakota	11,398	11,360	38
Tennessee	215,765	215,765	
Texas	395,941	395,941	
Utah	12,593	12,593	
Vermont	16,777	11,938	4,839
Virginia	131,870	131,870	
Washington	88,963	71,801	17,162
West Virginia	78,851	78,851	
Wisconsin	128,335	68,684	59,651
Wyoming	2,774	2,774	
Northern Mariana Islands	1,425	1,425	

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[1] Federal SSI payments of $84,000 and State supplements of $6,000 not reported by State.

[2] The total amount of State payments was reduced by $71,000 to reflect returned checks and overpayment refunds in some States where an amount is not shown.

[3] Includes $35,511,000 paid to Indochinese refugees—$25,072,000 Federal SSI and $10,439,000 State supplementation.

Source: Department of Health and Human Services.

TABLE 9.—SUPPLEMENTAL SECURITY INCOME: AMOUNT OF STATE-ADMINISTERED STATE SUPPLEMENTATION, BY REASON FOR ELIGIBILITY AND STATE, FISCAL YEAR 1981 [1]

[In thousands of dollars]

State	Total	Aged	Blind	Disabled
Total	[2]235,957	120,613	4,181	108,446
Alabama	12,009	8,856	100	3,053
Alaska	1,506	567	25	914
Arizona	1,324	1,009	3	312
Colorado	34,788	27,966	49	6,773
Connecticut	22,154	8,347	109	13,698
Florida	3,457	1,549	(3)	[4]1,909
Idaho	3,477	1,268	23	2,186
Illinois	28,321	4,484	282	23,554
Kentucky	11,328	6,285	91	4,953
Maryland	[2]665	(3)	(3)	(3)

TABLE 9.—SUPPLEMENTAL SECURITY INCOME: AMOUNT OF STATE-ADMINISTERED STATE SUPPLEMENTATION, BY REASON FOR ELIGIBILITY AND STATE, FISCAL YEAR 1981[1]—Continued

[In thousands of dollars]

State	Total	Aged	Blind	Disabled
Minnesota	11,329	2,557	151	8,621
Missouri	10,509	7,300	1,511	1,697
Nebraska	4,748	1,286	84	3,378
New Hampshire	5,482	1,006	184	4,292
New Mexico	[2]236	(3)	(3)	(3)
North Carolina	24,427	13,802	681	9,944
North Dakota	[2]1,146	18	(5)	13
Oklahoma	41,898	26,774	368	14,756
Oregon	6,124	2,471	422	3,231
South Carolina	2,258	949	23	1,286
South Dakota	499	334	4	161
Utah	[2]701	(3)	(3)	(3)
Virginia	7,301	3,704	67	3,530
West Virginia	94	37	....	57
Wyoming	176	44	4	128

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[1] Excludes data for Indiana and Iowa.

[2] Includes $2,717,000 for 4 States not distributed by reason for eligibility: $665,000 for Maryland; $236,000 for New Mexico; $1,115,000 for North Dakota; and $701,000 for Utah.

[3] Data not available.

[4] Includes data for the blind.

[5] Less than $500.

Source: Department of Health and Human Services.

11. SOCIAL SERVICES

Title XX Social Services

GENERAL

In addition to cash benefit programs and medical assistance, the Social Security Act includes provisions in title XX which make Federal funding available for social services. Originally, the cost of social services was considered a part of the administrative costs of operating cash public assistance programs, but subsequent amendments provided separate recognition of social services programs, expanded their availability to persons not receiving cash assistance, permitted funding of services provided by other than the welfare agency itself (including services by nonpublic agencies), and increased the Federal rate of matching to 75 percent (90 percent in the case of family planning services).

Prior to fiscal year 1973, Federal matching for social services, like Federal matching for welfare payments, was mandatory and open-ended. Every dollar a State spent for social services was matched by three Federal dollars. In 1971 and 1972 particularly, States made use of these provisions to increase at a rapid rate the amount of Federal money going into social services programs.

In 1972, the Congress established a $2.5 billion annual ceiling on the amount of Federal funding for social services programs effective for fiscal year 1973 and subsequent fiscal years.

In 1974, Congress substantially revised the statutes governing the social services programs. The 1974 legislation transferred the provisions governing social services programs from the cash public assistance titles of the Social Security Act to a new separate services title (title XX). The Federal matching percentage for services remained at 75 percent under the new title XX program and the overall ceiling of $2.5 billion allocated among the States on a population basis was not changed.

Temporary legislation provided an additional $200 million for day care in 1977, 1978, and 1979 with no Federal matching requirement. The ceiling was raised to $2.9 billion (including $200 million for day care) for 1979.

Legislation in 1980 provided the following funding levels for title XX: $2.7 billion in 1980, $2.9 billion in 1981, $3.0 billion in 1982, $3.1 billion in 1983, $3.2 billion in 1984, and $3.3 billion in 1985 and years thereafter (plus additional amounts for training).

The Omnibus Budget Reconciliation Act of 1981 created a new social services block grant program to replace the prior Federal-State matching program. A number of requirements on the States, previously a part of the title XX statute, were removed. Funding levels were reduced. The program remains an appropriated entitlement, with each State eligible to receive its share of a national total of $2.4 billion in 1982, $2.45 billion in 1983, $2.5 billion in 1984, $2.6 billion in 1985, and $2.7 billion in 1986 and years thereafter.

ELIGIBILITY

Eligibility for services funded by title XX is determined by the States. Services may be provided to individuals and families. Federal law sets no income eligibility requirements, and no fee requirements.

SERVICES

Benefits are in the form of services aimed at the following five goals: achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency; achieving or maintaining self-sufficiency, including reduction or prevention of dependency; preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families; preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

States are free to determine which services they wish to provide in meeting one or all of these goals. Table 1 shows expenditures by type of service in fiscal year 1981.

FINANCING

Federal funds may be used for services, administration and training, with no requirement for State matching. Each State is entitled to receive its share of the national total, based on State population. The territories are entitled to receive allotments for each year which are proportionate to their share of $2.9 billion in funding in 1981. (See Table 2.)

ADMINISTRATION

At the Federal level, the program is administered by the Office of Human Development Services in the Department of Health and Human Services. States may select their own administering agency. States are required, prior to expenditure of Federal payments in any fiscal year, to report on the intended use of the payments the State is to receive, including information on the types of activities to be supported and the categories or characteristics of individuals to be served. At least every 2 years States must publish and make available reports which describe how the funds have been expended. Independent audits of State expenditures are required at least every two years.

CHARACTERISTICS OF RECIPIENTS

Data are not available to indicate the characteristics of recipients receiving funds under the new block grant. In fiscal year 1980, 27 percent of primary recipients were AFDC recipients, and 12 percent were SSI recipients. An additional 40 percent met other income criteria, and 21 percent received services without regard to income limitations. Table 3 shows the average number of primary recipients receiving social services in 1981.

TABLE 1.—TITLE XX SERVICES COSTS, FISCAL YEAR 1981

[In millions of dollars]

Selected services	Amount
Day care children	886
Homemaker/chore	580
Education, training, and employment	321
Protective services	370
Foster care—children	149
Counseling services	233
Health related	92
Residential care and treatment	259
Family planning	84
Others	1,390
Total Federal, State and local	4,364
Total Federal funding	2,916

Source: Department of Health and Human Services.

TABLE 2.—FUNDING FOR TITLE XX SOCIAL SERVICES, BY STATE, FISCAL YEARS 1981 AND 1982

	1981 actual [1]	1982 estimate [2]
Total	$2,991,100,000	$2,400,000,000
Alabama	44,304,356	40,962,220
Alaska	5,467,501	4,212,053
Arizona	32,278,606	28,620,903
Arkansas	29,926,264	24,071,886
California	302,677,233	249,237,734
Colorado	36,229,761	30,421,556
Connecticut	43,924,031	32,727,656
Delaware	7,902,275	6,265,431
District of Columbia	9,196,451	6,718,226
Florida	116,594,814	102,563,502
Georgia	68,817,206	57,536,651
Hawaii	12,032,869	10,161,579
Idaho	11,805,316	9,940,446
Illinois	145,427,685	120,233,067
Indiana	70,575,593	57,810,434
Iowa	38,745,499	30,674,279
Kansas	31,747,203	24,882,706
Kentucky	42,764,256	38,550,819

TABLE 2.—FUNDING FOR TITLE XX SOCIAL SERVICES, BY STATE, FISCAL YEARS 1981 AND 1982—Continued

	1981 actual [1]	1982 estimate [2]
Louisiana	53,942,342	44,268,682
Maine	15,115,193	11,846,400
Maryland	56,208,089	44,395,044
Massachusetts	78,843,017	60,411,377
Michigan	119,716,704	97,487,978
Minnesota	54,331,209	42,931,355
Mississippi	24,750,085	26,546,467
Missouri	65,935,629	51,776,667
Montana	11,021,483	8,287,215
Nebraska	21,220,049	16,532,310
Nevada	7,993,930	8,413,577
New Hampshire	10,967,473	9,698,253
New Jersey	99,352,539	77,543,905
New Mexico	16,411,011	13,689,174
New York	243,109,152	184,877,557
North Carolina	75,139,822	61,854,005
North Dakota	9,051,887	6,876,177
Ohio	118,655,924	113,693,853
Oklahoma	39,092,745	31,853,654
Oregon	32,910,791	27,725,842
Pennsylvania	134,367,074	124,961,097
Rhode Island	12,858,450	9,972,037
South Carolina	37,980,962	32,843,487
South Dakota	9,259,080	7,265,792
Tennessee	53,139,451	48,343,844
Texas	177,623,236	149,822,742
Utah	17,994,039	15,384,525
Vermont	6,855,553	5,380,898
Virginia	69,909,472	56,234,095
Washington	51,363,627	43,489,452
West Virginia	25,935,163	20,533,761
Wisconsin	63,426,198	49,544,279
Wyoming	5,629,873	4,959,693
American Samoa		347,494
Guam	153,713	413,793
Puerto Rico	18,525,777	12,413,793
Trust Territory of Pacific Islands		1,232,026
Virgin Islands	514,347	413,793
Northern Marianas Islands		82,759

TABLE 2.—FUNDING FOR TITLE XX SOCIAL SERVICES, BY STATE, FISCAL YEARS 1981 AND 1982—*Continued*

	1981 actual [1]	1982 estimate [2]
Subsequent year awards	101,377,992	

[1] Includes $2,716,100,000 for title XX social services, $200,000,000 for child day care, and $75,000,000 for State and local training activities.

[2] Block grants for 1982 and 1983 replaces the social services, child day care, and training activities.

Source: Department of Health and Human Services.

TABLE 3.—AVERAGE NUMBER OF PRIMARY RECIPIENTS RECEIVING SERVICES PER QUARTER, FISCAL YEAR 1981

Selected services [1]	Number
Day care—children	496,000
Homemaker/chore	403,000
Education, training, and employment	336,000
Protective services	560,000
Foster care—children	178,000
Counseling services	636,000
Health related	386,000
Residential care and treatment	109,000
Family planning	452,000

[1] Nonadditive: Recipients may receive more than 1 service.

Child Welfare, Foster Care and Adoption Assistance

[Title IV-B and E]

A. CHILD WELFARE SERVICES (Title IV-B)

GENERAL

Under title IV-B of the Social Security Act, grants to the States are authorized for the purpose of providing a wide range of child welfare services. Public Law 96-272, the Adoption Assistance and Child Welfare Act of 1980, restructured the child welfare services program to place greater emphasis on services designed to prevent or remedy the need for long-term foster care. Prior to the adoption of this legislation, States primarily used Federal funding under this program to fund non-AFDC foster care maintenance payments. This is no longer a permissible use for any new appropriations under this program, i.e., in excess of $56.5 million.

ELIGIBILITY

The Federal statute does not specify any eligibility criteria which the States must follow in providing services to children.

DESCRIPTION OF SERVICES

States are authorized to provide child welfare services which have the following purposes: (a) protecting and promoting the welfare of all children, including handicapped, homeless, dependent or neglected children; (b) preventing or remedying, or assisting in the solution of problems which may result in the neglect, abuse, exploitation, or delinquency of children; (c) preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing breakup of the family where the prevention of child removal is desirable and possible; (d) restoring to their families children who have been removed, by the provision of services to the child and the families; (e) placing children in suitable adoptive homes, in cases where restoration to the biological family is not possible or appropriate; and (f) assuring adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption.

Title IV-B includes incentives for States to develop services to protect children in foster care. A State may not receive any funds in excess of $141 million unless it has: (1) conducted an inventory of children who have been in foster care for over 6 months; (2) implemented a statewide information system for children in foster care; (3) implemented a case review system for each child in foster care, which includes a 6 month review and 18 month dispositional hearing for each child; and (4) implemented a services program designed to assist children, where possible, to return to their homes.

When Federal title IV-B appropriations have equaled the authorized maximum of $266 million for two consecutive years, a State's IV-B funds will be reduced, beginning with the succeeding fiscal year, to the share of $56 million it received in fiscal year 1979, unless and until it has implemented the protections and procedures described above and, in addition, implemented a program of preplacement preventive services designed to prevent the need for removing a child from his home.

FINANCING

The authorized funding level for the child welfare services program is $266 million. The program received an appropriation of $164 million in 1981. An additional $5 million was provided for child welfare training. The 1982 continuing resolution provided a spending level of $156 million for child welfare services, and $4 million for child welfare training. State allocations for child welfare services reflect State per capita income and the size of the population under age 21. States must provide 25 percent in matching funds. Table 1 shows State awards for 1981 and 1982.

ADMINISTRATION

The child welfare services program is administered at the Federal level by the Office of Human Development Services in the Department of Health and Human Services. At the State level, the program generally must be administered by the same agency which administers or supervises the administration of the title XX social services program.

B. FOSTER CARE AND ADOPTION ASSISTANCE (TITLE IV-E)

GENERAL

The Adoption Assistance and Child Welfare Services Act of 1980 involved a restructuring of Social Security Act programs for the care of children who must be removed from their homes. In particular, prior law was modified to lessen the emphasis on foster care placement and to encourage efforts to find permanent homes for children either by making it possible for them to return to their own families or by placing them in adoptive homes. The new foster care and adoption assistance program is embodied in title IV-E of the Social Security Act.

ELIGIBILITY

Foster care maintenance payments may be made only on behalf of AFDC-eligible children. Adoption subsidies may be made on behalf of AFDC- or SSI-eligible children if they have special needs which have discouraged their adoption.

BENEFITS

For foster care, States determine need and benefit levels. In December 1980, the average monthly benefit per AFDC foster care child was $378, and benefit amounts varied among States from a low of $89 to a high of $791. (See Table 2.)

For adoption assistance, subsidies are determined through agreement between prospective adoptive parents and the State agency. However, the subsidy may not exceed the amount which would be payable on behalf of the child in a foster family home.

Children receiving foster care payments and adoption assistance are eligible for medicaid.

The law provides specific protections for IV-E children. A case plan must be developed for each child which includes a description of the child's placement and its appropriateness; a plan, if necessary, for compliance with judicial determination requirements; and a plan of services which will be provided. In addition, a case review is required at least every 6 months by a court of competent jurisdiction or an administrative review.

FINANCING

For both foster care and adoption assistance, Federal funding rates vary by State in accordance with the medicaid matching formula. The range is 50 percent to about 78 percent. Nationally, Federal funds pay 54 percent of the costs.

Before fiscal year 1981, open-ended Federal matching was provided for foster care payments under the AFDC program for children who met certain specified conditions. The 1980 legislation set a ceiling on Federal foster care matching funds for 4 years beginning with fiscal year 1981. The ceiling is contingent upon the appropriation of specified additional amounts for the child welfare services program. The ceiling was in effect in 1981, but will not be in effect in 1982. Federal funding of foster care maintenance payments is available for children placed in foster care homes, in nonprofit private child care institutions, and in public institutions serving no more than 25 resident children.

The estimated level of spending in 1981 for foster care is $349 million, with an additional $5 million spent for adoption assistance. The 1982 continuing resolution provided $300 million for foster care and $4 million for adoption assistance. It is estimated, however, that additional funding would be needed to fully meet the amount to which States are entitled under this program. Table 2 shows State awards for foster care in 1981 and 1982.

ADMINISTRATION

At the State level, the same agency which administers the child welfare services program must also administer the foster care and adoption assistance programs. The Federal administering agency is the office of Human Development Services in the Department of Health and Human Services.

FOSTER CARE CASELOAD

Data for December 1980 show that at that time about 102,000 children were receiving federally matched foster care payments. More than one-third were in California (15,000) and New York (20,000). About 78 percent were in foster family homes. The remainder were in institutions. (See Table 2.)

TABLE 1.—TITLE IV–B CHILD WELFARE SERVICES: ACTUAL AND ESTIMATED AWARDS, FISCAL YEARS 1981 AND 1982

	1981 actual[1]	1982 estimate[2]
Total	$163,550,000	$156,326,000
Alabama	2,936,403	3,277,136
Alaska	253,306	259,315
Arizona	2,015,438	2,003,836
Arkansas	2,309,713	1,928,662
California	11,447,146	12,939,528
Colorado	2,258,114	1,907,129
Connecticut	2,053,260	1,697,076
Delaware	383,859	435,614
District of Columbia	337,832	347,315
Florida	4,919,166	5,741,337
Georgia	3,828,462	4,368,286
Hawaii	575,468	666,455
Idaho	751,547	850,553
Illinois	7,588,541	6,592,262
Indiana	3,523,078	3,885,466

TABLE 1.—TITLE IV–B CHILD WELFARE SERVICES: ACTUAL AND ESTIMATED AWARDS, FISCAL YEARS 1981 AND 1982—Continued

	1981 actual[1]	1982 estimate[2]
Iowa	2,457,660	2,002,044
Kansas	1,826,781	1,552,323
Kentucky	3,487,015	2,964,133
Louisiana	3,253,543	3,571,754
Maine	1,136,349	953,270
Maryland	3,074,691	2,572,865
Massachusetts	3,698,908	3,549,172
Michigan	7,422,853	5,914,879
Minnesota	2,542,215	2,782,080
Mississippi	2,265,637	2,481,913
Missouri	4,138,647	3,433,225
Montana	815,094	668,289
Nebraska	1,382,056	1,145,725
Nevada	493,478	468,774
New Hampshire	641,161	702,678
New Jersey	4,934,131	4,096,718
New Mexico	1,059,438	1,161,815
New York	12,412,005	10,437,088
North Carolina	4,004,097	4,563,247
North Dakota	666,545	555,319
Ohio	7,679,747	7,212,115
Oklahoma	2,624,187	2,167,535
Oregon	2,031,978	1,688,976
Pennsylvania	6,663,644	7,505,215
Rhode Island	781,603	669,401
South Carolina	3,159,548	2,693,940
South Dakota	753,687	625,445
Tennessee	3,699,873	3,574,904
Texas	8,873,318	10,083,039
Utah	1,673,546	1,480,375
Vermont	539,427	468,915
Virginia	4,259,786	3,589,943
Washington	2,885,397	2,480,506
West Virginia	1,806,230	1,549,323
Wisconsin	3,014,651	3,345,169
Wyoming	424,007	368,543
American Samoa	NA	NA
Guam	226,438	223,563
Puerto Rico	5,258,464	3,847,108
Trust Territory of Pacific Islands	NA	NA

TABLE 1.—TITLE IV–B CHILD WELFARE SERVICES: ACTUAL AND ESTIMATED AWARDS, FISCAL YEARS 1981 AND 1982—Continued

	1981 actual[1]	1982 estimate[2]
Virgin Islands	202,708	177,763
Northern Mariana Islands	98,124	96,941

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[1] Includes funds reallotted to eligible States.

[2] Assumes all States meet conditions for full share of appropriation.

Source: Department of Health and Human Services.

TABLE 2.—TITLE IV–E/A FOSTER CARE ACTUAL AND ESTIMATED AWARDS, FISCAL YEARS 1981 AND 1982

	1981 actual	1982 estimate[1]
Total	$347,867,846	$300,000,000
Alabama	1,810,769	2,070,000
Alaska	204,703	240,000
Arizona	1,128,458	1,470,000
Arkansas	956,694	570,000
California	45,059,027	49,110,000
Colorado	1,853,672	810,000
Connecticut	1,755,366	1,410,000
Delaware	471,895	360,000
District of Columbia	644,970	990,000
Florida	1,680,162	1,650,000
Georgia	2,532,110	2,760,000
Guam	NA	NA
Hawaii	20,298	30,000
Idaho	383,082	330,000
Illinois	5,059,550	4,800,000
Indiana	1,496,539	1,050,000
Iowa	1,434,963	1,260,000
Kansas	3,266,258	3,900,000
Kentucky	2,538,035	1,530,000
Louisiana	3,330,445	3,960,000
Maine	2,047,124	2,250,000
Maryland	3,458,017	3,060,000
Massachusetts	2,302,818	NA
Michigan	17,597,473	22,890,000
Minnesota	3,771,988	5,490,000
Mississippi	963,192	990,000
Missouri	3,110,768	2,130,000
Montana	703,045	780,000
Nebraska	928,498	1,410,000
Nevada	369,506	450,000

TABLE 2.—TITLE IV–E/A FOSTER CARE ACTUAL AND ESTIMATED AWARDS, FISCAL YEARS 1981 AND 1982—Continued

	1981 actual	1982 estimate [1]
New Hampshire	590,185	540,000
New Jersey	2,405,456	2,220,000
New Mexico	107,194	120,000
New York	161,318,420	119,130,000
North Carolina	1,970,884	1,890,000
North Dakota	564,046	750,000
Ohio	4,077,753	4,110,000
Oklahoma	982,621	1,380,000
Oregon	6,706,314	4,320,000
Pennsylvania	30,799,878	20,849,040
Puerto Rico	NA	NA
Rhode Island	125,000	600,000
South Carolina	1,413,881	630,000
South Dakota	506,962	810,000
Tennessee	2,910,384	1,950,000
Texas	5,149,659	5,580,000
Utah	805,068	450,000
Vermont	897,162	870,000
Virgin Islands	NA	NA
Virginia	3,180,824	2,940,000
Washington	3,894,558	2,700,000
West Virginia	964,022	1,050,000
Wisconsin	7,552,886	9,360,000
Wyoming	65,264	60,000

[1] Estimated State's share of funds available limited to $300,000,000.

Source: Department of Health and Human Services.

TABLE 3.—AID TO FAMILIES WITH DEPENDENT CHILDREN, FOSTER CARE SEGMENT: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980

[Includes nonmedical vendor payments]

State	Total foster care					Foster family homes			Child care institutions		
	Total cases	Total children	Total amount	Average per—		Total cases	Total children	Total payments	Total cases	Total children	Total payments
				Case	Child						
Total	82,175	102,218	$38,674,089	$470.63	$378.35	[1] 61,816	[1] 79,483	[1] $20,719,075	[1] 11,661	[1] 13,290	[1] $15,424,293
Alabama	805	1,478	189,965	235.98	128.53	715	1,356	175,061	90	122	14,904
Alaska	52	52	41,163	791.60	791.60	43	43	17,732	9	9	23,431
Arizona	165	268	79,416	481.31	296.33	153	256	61,638	12	12	17,778
Arkansas	188	293	48,776	259.45	166.47	178	277	45,774	10	16	3,002
California	9,781	14,798	7,580,003	774.97	512.23	7,534	12,128	4,023,012	2,247	2,670	3,556,991
Colorado	[3] 582	582	117,718	202.26	202.26	443	443	55,885	139	139	61,833
Connecticut	[3] 1,566	2,177	455,021	290.56	209.01	1,111	1,698	236,611	455	479	218,410
Delaware	171	305	62,741	366.91	205.71	127	232	38,491	54	73	24,250
District of Columbia	[3] 720	893	258,012	358.35	288.93	512	625	166,676	208	268	91,336
Florida	791	1,099	204,706	258.79	186.27	([1])	([1])	([1])	([1])	([1])	([1])
Georgia	[3] 1,477	1,495	244,213	165.34	163.35	1,299	1,315	210,854	178	180	33,359
Guam	11	16	2,140	([2])	([2])	11	16	2,140	0	0	0
Hawaii	19	19	2,547	([2])	([2])	19	19	2,547	0	0	0
Idaho	92	210	44,808	487.04	213.37	77	176	37,553	15	34	7,255
Illinois	[3] 4,530	4,530	811,500	179.14	179.14	4,180	4,180	626,000	350	350	185,500
Indiana	1,344	1,726	153,660	114.33	89.03	([1])	([1])	([1])	([1])	([1])	([1])
Iowa	661	661	156,545	236.83	236.83	522	522	105,563	139	139	50,982
Kansas	1,774	1,774	583,168	328.73	328.73	1,214	1,214	253,519	560	560	329,649
Kentucky	1,254	1,254	205,540	163.91	163.91	1,190	1,190	193,258	64	64	12,282
Louisiana	[3] 1,515	1,721	399,131	263.45	231.92	1,444	1,635	303,887	71	86	95,244
Maine	1,170	1,170	273,101	233.42	233.42	1,055	1,055	178,331	115	115	94,770
Maryland	2,346	2,346	523,759	223.26	223.26	2,122	2,122	376,895	224	224	146,864
Massachusetts	1,810	1,996	644,563	356.11	322.93	1,653	1,837	409,033	157	159	235,530
Michigan	5,539	5,539	2,641,623	476.91	476.91	4,775	4,775	1,413,362	764	764	1,228,261
Minnesota	1,271	1,687	476,088	374.58	282.21	1,145	1,550	424,897	126	137	51,191

Mississippi	519	894	107,339	206.82	120.07	519	894	107,339	0	0	0
Missouri	[3]948	2,171	215,591	227.42	99.30	866	1,984	196,985	82	187	18,606
Montana	178	259	103,928	583.87	401.27	178	259	103,928	0	0	0
Nebraska	556	553	149,947	269.69	271.15	497	494	132,247	59	59	17,700
Nevada	191	254	75,758	396.64	298.26	155	218	56,186	36	36	19,572
New Hampshire	504	504	76,835	152.45	152.45	388	388	54,092	116	116	22,743
New Jersey	1,254	1,254	220,602	175.92	175.92	1,172	1,172	165,665	82	82	54,937
New Mexico	66	91	14,839	224.83	163.07	54	79	12,718	12	12	2,121
New York	14,389	20,305	14,470,529	1,005.67	712.66	10,653	15,866	6,991,207	3,736	4,439	7,479,322
North Carolina	1,062	1,741	239,329	225.36	137.47	910	1,451	199,895	182	290	39,434
North Dakota	202	360	88,212	436.69	245.03	169	321	68,034	33	39	20,178
Ohio	3,664	3,664	418,191	114.14	114.14	3,319	3,319	359,237	345	345	58,954
Oklahoma	426	710	134,102	314.79	188.88	426	710	134,102	0	0	0
Oregon	1,521	1,521	463,519	304.75	304.75	1,355	1,355	272,114	166	166	191,405
Pennsylvania	[3]6,377	6,377	2,118,894	332.27	332.27	(1)	(1)	(1)	(1)	(1)	(1)
Puerto Rico	0	0	0	(2)	(2)	0	0	0	0	0	0
Rhode Island	291	423	126,341	434.16	298.68	232	355	60,104	59	68	66,237
South Carolina	342	528	70,150	205.12	132.86	342	528	70,150	0	0	0
South Dakota	387	387	79,501	205.43	205.43	358	358	64,159	29	29	15,342
Tennessee	857	1,835	246,960	288.17	134.58	816	1,766	235,064	58	69	11,896
Texas	2,784	2,784	785,060	281.99	281.99	2,675	2,675	742,902	109	109	42,158
Utah	243	243	53,461	220.00	220.00	(1)	(1)	(1)	(1)	(1)	(1)
Vermont	[3]161	315	50,000	310.56	158.73	154	302	37,045	7	13	12,955
Virgin Islands	0	0	0	(2)	(2)	0	0	0	0	0	0
Virginia	1,628	2,459	424,533	260.77	172.64	1,533	2,344	391,580	95	115	32,953
Washington	604	833	216,273	358.07	259.63	537	755	153,317	67	78	62,956

12. LOW-INCOME ENERGY ASSISTANCE PROGRAM (LIEAP)

LEGISLATIVE OBJECTIVE

The Low-Income Home Energy Assistance Act of 1981 (title XXVI of Public Law 97-35, the Omnibus Budget Reconciliation Act of 1981) provides 100 percent Federal funds to States so that they may aid needy households in meeting the costs of home energy. The States have broad latitude in designing their own programs. Within general Federal guidelines States set actual eligibility rules, types and methods of assistance and benefit levels.

ELIGIBILITY

The act permits States to use Federal funds to provide assistance to: (a) households with incomes below either 150 percent of the OMB poverty guidelines or 60 percent of a State's median income adjusted for family size; (b) households that receive cash welfare payments from aid to families with dependent children (AFDC), or supplemental security income (SSI), unless such SSI benefits are reduced on grounds that the recipient resides in an institution receiving medicaid or lives in the household of another and receives food and shelter from him or is a child recipient of benefits; (c) households that receive certain veterans benefits or food stamps.

The law sets only maximum income ceilings; States may choose lower limits.

The OMB poverty guidelines are uniform for a given family size in the 48 contiguous States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands, but 15 percent higher in Hawaii and 25 percent higher in Alaska. For use in the fiscal year 1982 program, 150 percent of State median income for a 4-person family ranges from $10,603 (Mississippi) to $18,622 (Alaska). For a 4-person family, 150 percent of poverty in fiscal year 1982 is $12,765. For a 4-person family, 60 percent of the State's median income is higher than 150 percent of the OMB poverty guidelines in 34 States and the District of Columbia. Table 1 presents the median income levels in effect for fiscal year 1982.

BENEFITS

Three basic types of LIEAP benefits are permitted; (a) assistance to help households pay for the costs of home heating or cooling, (b) low-cost weatherization of eligible household's homes (up to 15 percent of a State's allotment), (c) energy-related emergency assistance. The exact method of providing each of these types of benefits is a State decision. Assistance for home heating and cooling is typically either in cash payments, vendor lines of credit or voucher. States may purchase and/or install weatherization materials. The form of emergency assistance is up to the State but often is in-kind aid such as blankets or space heaters. There is no Federal limit on the value of a household's benefits.

FINANCING

Benefits and administrative costs are 100 percent federally financed. Up to 10 percent of a State's allotment may be transferred to other block grants (community services, social services, and the several health block grants) or 10 percent of the funds from these programs may be transferred into LIEAP. Up to 25 percent of a State's allotment may be carried over into fiscal year 1983. Funds not carried over and not obligated by the States in fiscal year 1983 can be reallocated by the Secretary of Health and Human Services (HHS).

In fiscal year 1982, $1.875 billion was appropriated for LIEAP. The funds are allocated to States on the basis of their share of fiscal year 1981 LIEAP funds. Allocation in fiscal year 1981 was based on a complex formula that took into account climate, energy expenditures, fiscal year 1980 funding level and low income population. Table 2 presents the fiscal year 1981 and 1982 LIEAP allocations by State.

ADMINISTRATION

LIEAP funds are given to States as modified block grants. States must submit a plan for their energy assistance program to HHS. However, HHS does not approve or disapprove of the State plan. States must assure that funds will be used in accordance with the purposes of the act and that outreach directed at the aged and disabled will be conducted. Consistent with efficient administration of the program, States are to give priority in aid to those with lowest incomes and highest energy costs in relation to income.

TABLE 1.—LOW-INCOME HOME ENERGY ASSISTANCE: 60 PERCENT OF STATES' MEDIAN INCOME, FISCAL YEAR 1982

States	4-person household	2-person household	1-person household
Alabama	$11,168	$7,594	$5,807
Alaska	18,622	12,663	9,683
Arizona	13,800	9,384	7,176
Arkansas	11,096	7,545	5,770
California	15,065	10,244	7,834
Colorado	15,137	10,293	7,871
Connecticut	14,646	9,959	7,616
Delaware	12,710	8,643	6,609
District of Columbia	12,786	8,694	6,649
Florida	12,454	8,469	6,476
Georgia	12,947	8,804	6,473
Hawaii	14,749	1,029	7,669
Idaho	12,257	8,335	6,374

TABLE 1.—LOW-INCOME HOME ENERGY ASSISTANCE: 60 PERCENT OF STATES' MEDIAN INCOME, FISCAL YEAR 1982—Continued

States	4-person household	2-person household	1-person household
Illinois	14,559	9,900	7,571
Indiana	13,568	9,227	7,055
Iowa	13,540	9,207	7,041
Kansas	13,709	9,322	7,129
Kentucky	11,483	7,808	5,971
Louisiana	12,100	8,228	6,292
Maine	10,844	7,374	5,638
Maryland	14,812	10,072	7,702
Massachusetts	14,272	9,705	7,421
Michigan	14,653	9,964	7,620
Minnesota	14,645	9,959	7,615
Mississippi	10,603	7,210	5,514
Missouri	12,776	8,688	6,644
Montana	12,031	8,181	6,256
Nebraska	12,449	8,466	6,473
Nevada	15,274	10,386	7,942
New Hampshire	13,401	9,113	6,969
New Jersey	14,676	9,980	7,632
New Mexico	12,619	8,581	6,562
New York	12,649	8,601	6,577
North Carolina	11,789	8,016	6,130
North Dakota	11,712	7,964	6,090
Ohio	13,517	9,191	7,029
Oklahoma	12,511	8,507	6,506
Oregon	14,419	9,805	7,498
Pennsylvania	12,388	9,104	6,962
Rhode Island	12,982	8,828	6,751
South Carolina	12,092	8,223	6,288
South Dakota	11,525	7,837	5,993
Tennessee	11,662	7,930	6,064
Texas	14,050	9,554	7,306
Utah	12,750	8,670	6,630
Vermont	11,588	7,880	6,026
Virginia	13,786	9,374	7,169
Washington	14,646	9,959	7,616
West Virginia	11,326	7,701	5,890
Wisconsin	14,111	9,595	7,338
Wyoming	13,604	9,251	7,074

TABLE 2.—FISCAL YEARS 1981 AND 1982 ALLOCATIONS TO STATES FOR LOW INCOME ENERGY ASSISTANCE

FIPS	1981 [1]	1982 [2]
1. Alabama	15,674	16,004
2. Alaska	7,505	7,667
4. Arizona	7,580	6,997
5. Arkansas	11,960	12,268
6. California	84,088	86,164
8. Colorado	29,319	30,072
9. Connecticut	38,247	39,230
10. Delaware	5,077	5,207
11. District of Columbia	5,940	6,093
12. Florida	25,921	25,434
13. Georgia	16,609	20,113
15. Hawaii	1,975	2,026
16. Idaho	11,436	11,639
17. Illinois	105,862	108,583
18. Indiana	47,931	49,163
19. Iowa	29,470	34,843
20. Kansas	15,600	15,973
21. Kentucky	24,943	25,584
22. Louisiana	16,024	16,402
23. Maine	27,512	25,164
24. Maryland	29,285	30,038
25. Massachusetts	82,707	78,455
26. Michigan	111,598	102,996
27. Minnesota	72,409	74,271
28. Mississippi	13,938	13,763
29. Missouri	37,885	43,372
30. Montana	13,414	11,107
31. Nebraska	13,799	17,210
32. Nevada	3,560	3,644
33. New Hampshire	14,481	14,854
34. New Jersey	71,025	72,717
35. New Mexico	9,490	9,154
36. New York	231,907	237,742
37. North Carolina	34,561	35,450
38. North Dakota	9,572	13,196
39. Ohio	93,651	96,058
40. Oklahoma	15,998	14,536
41. Oregon	22,723	23,307
42. Pennsylvania	124,569	127,771
44. Rhode Island	12,594	12,917
45. South Carolina	13,823	12,769
46. South Dakota	11,835	10,439
47. Tennessee	25,267	25,917
48. Texas	41,261	42,322
49. Utah	13,624	13,536
50. Vermont	10,854	11,133
51. Virginia	39,019	36,590
53. Washington	34,377	37,579

TABLE 2.—FISCAL YEARS 1981 AND 1982 ALLOCATIONS TO STATES FOR LOW INCOME ENERGY ASSISTANCE—Continued

FIPS	1981 [1]	1982 [2]
54. West Virginia	16,507	16,931
55. Wisconsin	61,679	66,854
56. Wyoming	3,561	5,595
Total		1,856,849

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[1] Fiscal year 1981 figures do not include allotments for Territories or Indian tribes but do reflect reallocation of $56.4 million made on Aug. 28, 1981. Fiscal year 1981 figures include both HHS and CSA program components.

[2] Fiscal year 1982 allotments reflect both $1.752 billion appropriation contained in 3d continuing resolution and $123 million urgent supplemental appropriation.

13. BLACK LUNG DISABILITY TRUST FUND

SUMMARY

Under the terms of the Black Lung Benefits Revenue Act of 1977 (P.L. 95-227), the Black Lung Benefits Reform Act of 1977 (P.L. 95-239), and the Black Lung Benefits Revenue Act of 1981 (P.L. 97-119),[1] the Black Lung Disability Trust Fund is charged with paying the cost of cash and medical benefits for coal mine workers (or their survivors) who have been determined totally disabled by coal miners' pneumoconiosis (black lung disease). The trust fund is responsible for paying these benefits for:

Approved claims filed after July 1, 1973 (December 31, 1973 in the case of survivors), so-called "part C" claims;

if no "responsible coal operator" has been identified;

if the operator is in default; and

in all cases where the coal mine worker's last coal mine employment was before January 1970.[2]

The trust fund is also responsible for administrative costs associated with claims approval.

ELIGIBILITY

Beneficiaries must be totally disabled due to black lung disease (chronic dust disease of the lung arising out of employment in or around coal mines). For these purposes, total disability is defined as inability to do work using skills comparable to mine work previously performed. Survivors are eligible for benefits if the coal mine worker is determined to have been totally disabled at death. Medical standards, promulgated by the Labor Department, and a set of "presumptions" are used in determining eligibility. In effect, the use of "presumptions" allows for a determination of total disability, in some cases, in the absence of a judgment based on generally accepted medical standards, by permitting the number of years of coal mine employment and legislatively established types of medical or other evidence to establish eligibility.

The Black Lung Benefits Revenue Act of 1981 reduced the availability of "presumptions" in establishing eligibility for benefits, eliminated some benefits for survivors, and reduced benefits in certain cases where there are outside earnings. The act also ended certain restrictions on rereading X-rays in making determinations of eligibility, and limited the use of affidavits in making such determinations.

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[1] The Black Lung Benefits Revenue Act of 1977 established the trust fund and an excise tax on coal to finance it. The Black Lung Benefits Reform Act amended title IV of the Federal Coal Mine Health and Safety Act as to eligibility for benefits, and the Black Lung Benefits Revenue Act of 1981 modified the excise tax and certain of the rules governing benefit payments in order to eliminate deficits in the trust fund and reduce the need for appropriated funds.

[2] Other claims, so-called "part B" claims, are paid out of general revenues, through the Social Security Administration.

BENEFITS

Monthly cash benefits are legislatively set at between 37.5 and 75 percent of the Federal GS-2 salary level; this is equal to between 50 and 100 percent of the cash benefit available to a totally disabled GS-2 Federal worker. The basic 37.5 percent rate applies to miners or survivors with no dependents; the maximum 75 percent rate applies to miners or survivors with 3 or more dependents. Benefits are reduced by any payments received through another workers' compensation law for the same disability. In fiscal 1982, the basic monthly benefit is $293 and the maximum is $586. Average cash benefits are estimated at approximately $370 per month, excluding retroactive lump-sum payments. In addition to cash benefits, medical benefits are also available for the cost of treatment or medication for black lung disease or directly associated illnesses.

FINANCING

The Black Lung Disability Trust Fund is financed through an excise tax on mined bituminous and anthracite coal, along with certain reimbursements from and penalties on mine operators. The basic tax rates imposed to finance the trust fund are 50 cents per ton of coal from underground mines and 25 cents per ton of coal from surface mines; as a limitation, the tax cannot exceed 2 percent of the price at which the coal is sold by the producer. Under the Black Lung Benefits Revenue Act of 1981, these tax rates are doubled until 1995 or until the debt in the trust fund is retired, whichever is sooner. Accordingly, the rates in effect through 1995 are $1 per ton of coal from underground mines and 50 cents per ton of coal from surface mines, limited to 4 percent of the sales price.

Appropriations from general revenues also are used to finance the trust fund. Appropriated advances from general revenues are authorized and must be repaid, with interest, from later coal tax revenues. The tax and benefit changes made by the Black Lung Benefits Revenue Act of 1981 are designed to eliminate the need for appropriations to cover deficits in the trust fund. Thus, Federal appropriations to the trust fund are expected to decline over the next few years.

ADMINISTRATION

Eligibility determinations and payment of benefits are the responsibility of the Labor Department's Employment Standards Administration, Office of Workers' Compensation Programs. Administrative costs are paid by the trust fund.

1. RECIPIENTS

	Beneficiaries (cash and medical)
Fiscal year:	
1980	166,730
1981	[1] 190,400
1982	[1] 201,300
1983	[1] 191,350

[1] Estimate.

2. PROGRAM DATA

[In millions of dollars, fiscal years]

	1978	1979	1980	1981	1982 [1]	1983 [1]
Direct Federal appropriation	18.9	400.8	535.8	554.8	235.0	62.0

[1] Estimate.

14. WORK INCENTIVE, COMMUNITY WORK EXPERIENCE, AND WORK SUPPLEMENTATION PROGRAMS

GENERAL

The work incentive (WIN) program was enacted by Congress in 1967 with the purpose of reducing welfare dependency through the provision of manpower training and job placement services. In 1971 the Congress adopted amendments aimed at strengthening the administrative framework of the program and at placing greater emphasis on immediate employment instead of institutional training, thus specifically directing the program to assist individuals in the transition from welfare to work. In the same year, Congress also provided for a tax credit to employers who hire WIN participants. Table 1 shows WIN program data for fiscal years 1973–1981, and Table 2 shows WIN funding in fiscal years 1981 and 1982.

The Omnibus Budget Reconciliation Act of 1981 included a provision authorizing States to operate 3-year demonstration programs as alternatives to the current WIN program. The demonstration is aimed at testing single-agency administration and must be operated under the direction of the welfare agency. The legislation includes broad waiver authority.

The 1981 Reconciliation Act also authorized States to operate community work experience (CWEP) programs which serve a useful public purpose, and to require AFDC recipients to participate in these programs as a condition of eligibility. Participants may not be required to work in excess of the number of hours which, when multiplied by the greater of the Federal or the applicable State minimum wage, equals the sum of the amount of aid payable to the family.

In addition, the 1981 Reconciliation Act included a provision under which States are permitted to use any savings from reduced AFDC grant levels to make jobs available on a voluntary basis. Under this approach (work supplementation), recipients may be given a choice between taking a job or depending upon a lower AFDC grant. States may use the savings from the reduced AFDC grant levels to provide or underwrite job opportunities for AFDC eligibles.

Table 3 shows the States which have implemented, or may implement, the work program alternatives provided in the Reconciliation Act.

ELIGIBILITY

As a condition of AFDC eligibility, all applicants and recipients must register for WIN unless they are: children under age 16 or in school full time; ill, incapacitated, or elderly; too far from a project to participate; needed at home to care for a person who is ill; a

TABLE 3.—AID TO FAMILIES WITH DEPENDENT CHILDREN, FOSTER CARE SEGMENT: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980—Continued

[Includes nonmedical vendor payments]

State	Total foster care					Foster family homes			Child care institutions		
	Total cases	Total children	Total amount	Average per—		Total cases	Total children	Total payments	Total cases	Total children	Total payments
				Case	Child						
West Virginia	269	537	131,353	488.30	244.61	231	462	64,710	38	75	66,643
Wisconsin	3,082	3,082	1,378,277	447.20	447.20	2,731	2,731	680,818	351	351	697,459
Wyoming	36	45	14,658	(2)	(2)	24	33	6,758	12	12	7,900

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[1] Foster family homes and child care institution columns will not add due to nonreporting of these items by several States.

[2] Average payment not computed on base of fewer than 50 cases or children.

[3] Estimated data.

Source: Department of Health and Human Services.

caretaker relative providing care on a substantially full-time basis for a child under age 6; employed at least 30 hours a week; or the parent of a child if the other parent is required to register (unless that parent has refused). Persons who are not required to register may volunteer to do so. Table 4 shows the characteristics of WIN registrants for fiscal years 1977–1979.

Under the community work experience program, States may require caretaker relatives who are caring for child under 3 (rather than 6) to participate, provided child care is available. They may also require persons who are not required to register for WIN because they live too far from a WIN project to participate in CWEP. Individuals who are employed 80 hours a month and earning at least the applicable minimum wage may not be required to participate in a CWEP project. Otherwise, all registrants of WIN may be required to participate in a CWEP project.

The work supplementation legislation gives States complete flexibility in determining who may be included in the program, provided they meet the State's May 1981 AFDC eligibility requirements.

JOBS AND OTHER SERVICES

WIN participants may receive employment or training services. They may also be given supportive services, including child care, which are needed to enable them to take a job or participate in training. Table 5 shows a breakdown of WIN program costs by component.

Community work experience programs must be designed to improve the employability of participants through actual work experience and training, and to enable individuals to move into regular employment.

The work supplementation legislation defines a supplemented job as one which is provided by: the State or local agency administering the program; a public or nonprofit entity for which all or part of the wages are paid by the administering agency; or a proprietary child care provider for which all or part of the wages are paid by the administering agency.

FINANCING

The Federal Government provides 90 percent matching funds for WIN. States must contribute 10 percent matching in cash or kind. Half the funds are allocated to the States on the basis of the State's percentage of WIN registrants during the preceding January; half are distributed under a formula developed by the Secretary to take into consideration each State's performance. Special funding provisions apply to States with WIN demonstration programs. (See Table 6.)

Regular AFDC matching provisions prevail in the case of individuals who are receiving AFDC benefits and are participating in CWEP. State expenditures for administration of CWEP are eligible for Federal matching of 50 percent. However, such expenditures may not include the cost of making or acquiring materials or equipment or the cost of supervision of work, and may include only such other costs as are permitted by the Secretary.

Federal matching (as determined by the regular AFDC matching provisions) is available to a State for the costs of a work supplementation program to the extent that those expenditures do not exceed the amount of Federal savings resulting from the reductions in assistance payments made to eligible participants. To the extent that program costs are less than the savings generated through the reduction in assistance payments, both State and Federal governments derive a saving. No Federal matching is available to a State for expenditures which exceed the savings in Federal matching. Program costs which a State may claim within this matching limitation include wage subsidies, necessary employment related services, and administrative overhead.

ADMINISTRATION

WIN is administered jointly at the Federal level by the Department of Health and Human Services and the Department of Labor. At the State level it is administered jointly by the welfare (or social services) agency and the State employment service. The new WIN demonstration authority requires single-agency administration of the program under the direction of the welfare agency.

Both the community work experience and the work supplementation programs are administered at the Federal level by the Department of Health and Human Services. Regulations require that the CWEP and work supplementation programs be administered through the welfare agency.

TABLE 2.—FUNDING FOR THE WIN PROGRAM, FISCAL YEARS 1981 AND 1982

	Fiscal year 1981	Fiscal year 1982
Appropriation	$365,000,000	$245,760,000
Program direction and evaluation	14,040,000	14,000,000
Grants to States	350,960,000	231,760,000
Postage [1]	1,000,000	1,000,000
Reserve [2]	0	4,020,836
Issue to States	349,960,000	226,739,164

[1] Funds WIN provides as Federal share of State employment service mailing costs.

[2] Held in reserve toward additional funding requirements resulting from expected changes in State demonstration program startup dates.

Source: Data provided by WIN Office, Department of Labor. Table compiled by the Congressional Research Service.

TABLE 3.—STATE IMPLEMENTATION OF WORK PROGRAM ALTERNATIVES PROVIDED IN PUBLIC LAW 97-35

[As of Feb. 26, 1982]

State	WIN demonstration—Elected to implement	CWEP [1]			Work supplementation—Have expressed interest
		Already implemented	Demonstration planned	Have expressed interest	
Alabama	X			X	
Alaska					
Arizona	X				
Arkansas	X			X	
California				X	
Colorado					
Connecticut					
Delaware	X			X	
District of Columbia					
Florida	X				
Georgia					
Hawaii					
Idaho				X	
Illinois	X				
Indiana					
Iowa					
Kansas					
Kentucky	X			X	
Louisiana					
Maine	X				

TABLE 3.—STATE IMPLEMENTATION OF WORK PROGRAM ALTERNATIVES PROVIDED IN PUBLIC LAW 97-35—Continued

[As of Feb. 26, 1982]

State	WIN demonstration—Elected to implement	CWEP [1]			Work supplementation—Have expressed interest
		Already implemented	Demonstration planned	Have expressed interest	
Maryland	X				
Massachusetts	X			X	
Michigan	X		X		
Minnesota					
Mississippi					
Missouri				X	
Montana				X	
Nebraska	X				
Nevada					
New Hampshire					
New Jersey	X				
New Mexico					
New York			X		
North Carolina			X		
North Dakota		X			
Ohio			X		
Oklahoma	X	X			
Oregon	X				X
Pennsylvania	X				
Rhode Island	X				
South Carolina				X	
South Dakota	X		X		
Tennessee	X				
Texas	X				
Utah		([2])			
Vermont	X				
Virginia	X				
Washington					
West Virginia	X	X			
Wisconsin	X				
Wyoming					
Guam					
Puerto Rico					
Virgin Islands					

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[1] A number of additional States are expected to include a CWEP-type program as a component of their WIN demonstration program.

[2] Utah had a program consistent with CWEP legislation prior to enactment of P.L. 97-35.

Source: Office of Family Assistance, SSA. Table compiled by the Congressional Research Service.

TABLE 4.—WIN REGISTRANTS AND JOB ENTRANTS BY SELECTED CHARACTERISTICS, FISCAL YEARS 1977–79

[In percent]

Characteristic	1977		1978		1979	
	Registrants	Job entrants	Registrants	Job entrants	Registrants	Job entrants
Total	100.0	100.0	100.0	100.0	100.0	100.0
Sex:						
Male (total)[1]	27.4	37.8	26.1	33.8	24.8	30.3
(Unemployed fathers)	[2] NA	NA	(8.5)	(15.8)	(12.5)	(16.7)
Female	72.6	62.2	73.9	66.2	75.2	69.7
Ethnic group:						
White	55.4	67.6	55.7	66.1	44.9	55.4
Black	39.0	28.9	38.9	30.4	39.4	31.5
Other	5.6	3.5	5.4	3.5	15.7	13.1
Years of school completed:						
0 to 7 years	10.5	6.2	10.1	6.1	9.9	5.8
8 to 11 years	48.7	44.8	48.0	45.0	47.7	44.3
12 years	33.1	39.1	33.6	38.8	33.7	39.1
Over 12 years	7.7	9.9	8.3	10.1	8.7	10.8
Age:						
Under 22 years	15.7	15.2	14.4	14.4	13.8	13.4
22 to 39 years	62.0	69.4	63.2	70.2	63.6	71.2
40 years and over	22.3	15.4	22.4	15.4	22.6	15.4
Registrant status:						
Mandatory	79.0	82.6	82.7	82.4	83.5	82.1
Voluntary	21.0	17.4	17.3	17.6	16.5	17.9

[1] Includes male heads of single-parent households, unemployed fathers, and other males, most of them youth (under 22 years of age) who are recipient members of AFDC families.

[2] Not applicable.

Source: U.S. Departments of Labor and Health, Education, and Welfare. WIN: 1968–78, A Report at 10 Years. The Work Incentive Program. Ninth Annual Report to Congress. June 1979, Washington, 1979. p. 20; and based on conversations with DOL staff. Compiled by Congressional Research Service.

TABLE 5.—WIN COSTS, BY COMPONENT, FISCAL YEARS 1980 AND 1981

[Dollars in thousands]

	Fiscal year 1980	Fiscal year 1981 estimate
Total grants to States	$359,886	$350,960
Intake services	(148,975)	(138,902)
Work and training	(97,420)	(97,658)
Child care/supportive services [1]	(113,491)	(114,400)
Program direction and evaluation	11,945	14,040
Total WIN costs	371,831	365,000

[1] HHS incurs the costs for child care/supportive services, and the remaining costs are incurred by DOL.

Source: Data provided by Department of Labor; table compiled by the Congressional Research Service.

TABLE 6.—ACTUAL AND ESTIMATED AWARDS FOR WIN PROGRAM EMPLOYMENT AND TRAINING ACTIVITIES AND SOCIAL SERVICES, FISCAL YEARS 1981 AND 1982

State	1981 [1]	1982 Revised estimate [2]
Alabama	$3,265,709	[3] $2,157,744
Alaska	1,085,922	806,708
Arizona	2,462,002	[3] 1,384,019
Arkansas	2,104,067	[3] 1,275,703
California	48,466,466	30,350,094
Colorado	5,931,981	3,749,167
Connecticut	5,021,664	3,200,743
Delaware	1,174,413	[3] 779,577
District of Columbia	3,500,803	2,191,686
Florida	5,253,639	[3] 3,382,483
Georgia	5,818,685	3,494,643
Guam	260,000	173,290
Hawaii	1,932,005	1,368,657
Idaho	2,370,127	1,731,214
Illinois	17,186,676	[3] 11,355,868
Indiana	4,495,044	3,100,282
Iowa	3,462,059	2,386,001
Kansas	2,707,905	1,715,838
Kentucky	3,601,046	[3] 2,346,621
Louisiana	2,835,389	1,707,129
Maine	2,011,088	[3] 1,238,632
Maryland	6,408,099	[3] 4,300,583
Massachusetts	11,066,647	[3] 7,647,113
Michigan	25,544,329	[3] 15,381,134
Minnesota	6,501,302	4,547,667
Mississippi	3,052,411	1,755,408
Missouri	5,586,502	3,159,391
Montana	1,556,138	1,035,047
Nebraska	1,227,892	[3] 776,714
Nevada	1,030,754	677,753
New Hampshire	768,759	481,806
New Jersey	13,693,180	[3] 8,442,987
New Mexico	1,595,488	971,606
New York	28,526,947	19,924,373
North Carolina	4,847,948	3,311,819
North Dakota	963,018	534,556
Ohio	19,641,596	12,829,050
Oklahoma	2,097,570	[3] 1,381,281

TABLE 6.—ACTUAL AND ESTIMATED AWARDS FOR WIN PROGRAM EMPLOYMENT AND TRAINING ACTIVITIES AND SOCIAL SERVICES, FISCAL YEARS 1981 AND 1982—Continued

State	1981 [1]	1982 Revised estimate [2]
Oregon	9,671,995	[3] 6,199,603
Pennsylvania	15,729,937	[3] 10,368,292
Puerto Rico	2,556,841	1,408,554
Rhode Island	2,031,103	[3] 1,284,217
South Carolina	2,854,262	1,672,511
South Dakota	1,495,491	[3] 986,837
Tennessee	3,477,271	[3] 2,258,342
Texas	8,934,651	[3] 4,710,051
Utah	4,853,373	2,724,438
Vermont	2,481,199	[3] 1,710,623
Virginia	4,998,382	[3] 3,266,094
Virgin Islands	370,192	200,702
Washington	12,290,390	9,658,540
West Virginia	4,790,444	[3] 3,387,483
Wisconsin	13,776,676	[3] 8,369,710
Wyoming	592,523	370,586
Grants	349,960,000	225,651,600
Postage	1,000,000	1,000,000
Subtotal	350,960,000	226,651,600
Reserve	0	5,108,400
Total	350,960,000	231,760,000

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[1] New budget authority issued to employment and training units, and limits of entitlement issued for the separate administrative units.

[2] Distribution of new budget authority based on continuing resolution through Mar. 31, 1982, using the work incentive program allocation formula. Subject to modification during the fiscal year.

[3] Planned WIN demonstrations States funding included.

Source: Department of Health and Human Services.

15. MATERNAL AND CHILD HEALTH (MCH) SERVICES BLOCK GRANT

LEGISLATIVE OBJECTIVE

Title V of the Social Security Act authorizes the Maternal and Child Health (MCH) Services Block Grant which provides funding for the following programs: MCH and crippled childrens (CC) services; supplementary security income services for disabled children; lead-based paint poisoning prevention; genetic diseases; sudden infant death syndrome; hemophilia; and adolescent pregnancy.

Funds are specifically provided under the block grant to: (1) assure mothers and children, particularly those with low incomes or limited availability to health services, access to quality MCH services; (2) reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children; (3) reduce the need for inpatient and long-term care services; (4) increase the number of children, especially preschool children, appropriately immunized against disease, and the number of low income children receiving health assessments and follow-up diagnostic and treatment services; and (5) otherwise promote the health of mothers and children; (6) provide rehabilitation services for blind and disabled individuals under the age of 16 receiving benefits under the supplemental security income program under the Social Security Act; (7) provide services for locating crippled children and for those with conditions leading to crippling; and for medical, surgical, corrective, and other services and care for such children; and (8) provide facilities for diagnosis, hospitalization, and aftercare for crippled children and those with conditions leading to crippling.

ELIGIBILITY CRITERIA

Eligibility criteria may be determined by each State although the statute does place special emphasis on the provision of services to women and children with low income or limited availability to health services.

States may furnish services free of charge to all persons. However, they must provide all their services free of charge to low income persons. The statute defines these persons as individuals or families with an income determined to be below 100 percent of the poverty level defined by the Office of Management and Budget. Under the program, the current poverty level for a family of four, except in Alaska and Hawaii, is $8,450.

Other persons may pay all or part of the cost for services furnished depending on the service agency's sliding fee scale.

BENEFITS

States determine the level of services. Under title V, States typically have supported such health services as those available in maternity clinics and well-child checkups, immunization programs, vision and hearing screenings, school health services, family planning, dental care, and other traditional MCH services. The statute prohibits States from using their block grant funds for: (1) inpatient services, other than inpatient services provided to crippled children or to high-risk pregnant women and infants and such other inpatient services as the Secretary may approve; (2) cash payments to intended recipients of health services; (3) the purchase or improvement of land, the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility, or the purchase of major medical equipment, except with special waiver; (4) satisfying any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or (5) providing funds for research or training to any entity other than a public or nonprofit private entity.

FINANCING

Fifteen percent of the MCH Services Block Grant appropriation in fiscal year 1982, and a minimum of 10 percent and a maximum of 15 percent in subsequent fiscal years must be retained at the Federal level to carry out (1) special projects of regional and national significance, training, and research; (2) funding of genetic disease testing, counseling, and information development and dissemination programs; and (3) comprehensive hemophilia diagnostic and treatment centers. The remaining funds will be distributed among States according to the proportion of funds received in a State in fiscal year 1981 of the total amounts awarded under categorical programs in the block, excluding those programs in the set-aside. If the amount available in fiscal year 1984 exceeds the total amount available for this block grant in fiscal year 1983, the additional amounts would be allotted to the States on the basis of their relative proportion of low-income children.

ADMINISTRATION

The Maternal and Child Health Block Grant is administered by the Office of Maternal and Child Health (OMCH) within the Bureau of Community Health Services (BCHS) in the Public Health Service (PHS) of the Department of Health and Human Services (DHHS). At the State level, State health agencies administer the block grant although the statute provides that States which administer their CC programs through other State agencies as provided on July 1, 1967, may continue to do so.[1] Some State health agencies provide direct health services, but most distribute block grant funds throughout the State to local health agencies and other public or nonprofit private agencies, institutions, or organizations which provide health services.

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[1] According to OMCH, all States administer their MCH Block Grants through their State health agency except Oklahoma, where the CC program will continue to be administered by the State welfare agency.

CHARACTERISTICS OF RECIPIENTS

Available national data provide information on the types of services provided and the numbers of persons served under title V. National data are not available on characteristics (i.e. age, income) of persons receiving title V services.

RECENT ENROLLMENT DATA

TABLE 1.—FUNDING FOR TITLE V FOR SELECTED YEARS

	Amount
Fiscal year 1970 (actual):	
Federal outlays [1]	$183,681,000
Budget authority [1]	275,000,000
Fiscal year 1975 (actual):	
Federal outlays [1]	277,395,000
Budget authority [1]	350,000,000
Fiscal year 1980 (actual):	
Federal outlays [1]	370,792,000
Budget authority [1]	399,864,200
Fiscal year 1981:	
Federal outlays [1]	357,400,000
Budget authority [1]	399,864,200
Fiscal year 1982:	
Federal outlays [2] (estimate)	347,500,000
Budget authority	373,000,000

[1] Includes the maternal and child health (MCH) and crippled children services (CCS) programs. In fiscal year 1981, the following appropriations were made: MCH—$235,095,000; CCS—$105,700,000; sec. 516—$16,605,000.

[2] For fiscal year 1982, the MCH Block Grant appropriation under the Continuing Resolution for DHHS programs (P.L. 97–92) is set at $362 million. This funding level is effective only until Mar. 31, 1982, and is subject to a 4-percent reduction according to the Office of Maternal and Child Health, so that the amount available will be $347.5 million.

TABLE 2.—RECIPIENTS OF MCH AND CC SERVICES

	1980
Maternal and child health:	
Women receiving physician maternity services	$397,000
Women receiving nursing maternity services	522,000
Women receiving nurse-midwifery maternity services	53,000
Women receiving family planning services	419,000
Children receiving physician services	2,789,000
Children receiving nursing services	5,598,000
Children receiving dental services	1,669,000
Infants admitted to intensive care	75,000
Children receiving pre-school assessment services	1,070,000
Crippled children services:	
Inpatient	99,000
Basic and specialty assessments	766,000
Ambulatory care services	535,000

TABLE 1.—WORK INCENTIVE (WIN) PROGRAM DATA: FISCAL YEARS 1973–81

[Dollars in millions]

Category	1973	1974	1975	1976[1]	1977	1978	1979	1980	1981
New registrants	1,235,048	820,126	839,408	942,260	1,060,739	1,013,247	920,454	1,037,348	1,155,711
Registrants on board (end of year)	995,658	1,215,928	1,335,029	1,483,423	1,541,761	1,553,010	1,502,078	1,566,848	1,566,515
Appraisals	510,724	547,464	555,447	879,732	690,825	644,238	625,942	777,531	808,213
Certifications (with services)	371,020	302,307	327,772	580,475	484,440	470,257	477,519	401,655	376,736
Participants served [2]				229,486	234,483	257,969	256,781	276,697	275,631
Entered employment: [3]									
Full-time	136,783	177,271	170,641	278,329	245,566	254,191	250,482	230,210	250,072
Part-time				25,868	31,988	39,399	48,427	53,128	68,589
Total	136,783	177,271	170,641	304,197	277,554	293,590	298,909	276,671	309,940
Annualized welfare cost savings [4]	NA	NA	NA	$251	$436	$645	$599	$632	$760
Appropriations	$290	$340	$210	$400	$370	$365	$385	$365	$365

[1] Includes transition quarter (15 months).

[2] Individuals registered in WIN component during the year. Comparable data for 1973, 1974, and 1975 are not available.

[3] Numbers do not total; some individuals have both part- and full-time jobs.

[4] Department of Labor estimate.

Source: Data provided by U.S. Department of Labor, table compiled by the Congressional Research Service.

TABLE 3.—MCH BLOCK GRANT PROVISIONAL ALLOTMENTS, FISCAL YEAR 1982 [1]

State or jurisdiction	Amount
Total	$295,334,387
Connecticut	2,673,298
Maine	2,076,606
Massachusetts	6,672,905
New Hampshire	1,222,923
Rhode Island	927,531
Vermont	1,060,457
New Jersey	6,454,315
New York	[2] 21,794,022
Puerto Rico	8,560,460
Virgin Islands	806,420
Delaware	1,199,292
District of Columbia	4,679,009
Maryland	7,293,228
Pennsylvania	13,880,470
Virginia	7,086,454
West Virginia	3,775,110
Alabama	6,404,099
Florida	8,660,893
Georgia	8,631,354
Kentucky	6,407,052
Mississippi	5,252,070
North Carolina	9,275,309
South Carolina	6,566,564
Tennessee	6,315,481
Illinois	11,727,062
Indiana	6,760,034
Michigan	10,539,587
Minnesota	5,429,305
Ohio	12,388,740
Wisconsin	6,439,546
Arkansas	3,860,773
Louisiana	6,932,850
New Mexico	2,103,191
Oklahoma	3,801,695
Texas	15,100,441

TABLE 3.—MCH BLOCK GRANT PROVISIONAL ALLOTMENTS, FISCAL YEAR 1982 [1]—Continued

State or jurisdiction	Amount
Iowa	3,970,068
Kansas	2,667,390
Missouri	7,000,790
Nebraska	2,404,491
Colorado	4,153,212
Montana	1,379,481
North Dakota	1,104,766
South Dakota	1,323,356
Utah	3,665,815
Wyoming	741,434
American Samoa	265,853
Arizona	3,012,998
California	[2] 17,023,441
Guam	[2] 410,595
Hawaii	1,284,955
Nevada	726,664
Northern Marianas	251,083
Trust Territory	[2] 484,443
Alaska	614,415
Idaho	1,872,785
Oregon	3,438,363
Washington	4,779,443

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[1] For fiscal year 1982, funds available for State allotments for the MCH Block Grant are estimated to be $295,392,000. The total amount listed in the above table does not equal this amount because $57,613 of Indiana's allotment has been withheld due to 1981 audit findings. This amount will be redistributed to the rest of the States at the end of the fiscal year. The above State allotments may be subject to further change should the fiscal year 1982 appropriations change; if funds are withheld from States on the basis of audit findings; or if such funds are used for supplies or equipment furnished the State, or for the pay, allowances, and travel expenses of government officers or employees when detailed to the State.

[2] These States have not yet entered into the MCH Block Grant. These amounts represent their allotments for individual categorical programs in the block.

Source: Office of Maternal and Child Health, DHHS.

APPENDIX

INCIDENCE OF THE FEDERAL TAX BURDEN: WHO PAYS TAXES?

Introduction: The Changing Contributions of Federal Taxes

Since World War II, close to 95 percent of the Federal Government's annual budget receipts have come from taxes. During the post-war period the major sources of Federal tax revenue have been income taxes levied on individuals and corporations; social insurance taxes and contributions levied on employers, employees, and the self-employed; excise taxes imposed on selected products, services and activities; and estate and gift taxes levied on transfers of wealth.

During the five-year period ending in fiscal year 1980, the relative contribution of these taxes to Federal receipts has been fairly constant. In rough terms, the individual income tax has provided 45 percent, the corporate income tax 12 percent, social insurance taxes and contributions 30 percent, excise taxes five percent, and estate and gift taxes between one and two percent of Federal budget receipts.[1] For fiscal year 1981, the relative contributions of these Federal taxes to total budget receipts are reflected in the following table.

1. 1981 BUDGET RECEIPTS BY SOURCE

Source	Amount (billions)	Percentage
Individual income taxes	$285.9	47.7
Corporation income taxes	61.1	10.2
Social insurance taxes and contributions	182.7	30.5
Excise taxes	40.8	6.8
Estate and gift taxes	6.8	1.1
Customs duties	8.1	1.4
Miscellaneous receipts	13.8	2.3
Total, budget receipts	599.3	100.0

Source: Budget of the U.S. Government, 1983. OMB. (Percentages are derived.)

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[1] Source: Federal Government Finances, March 1981 Edition, Budget Review Division, Fiscal Analysis Branch, Office of Management and Budget (OMB).

By way of comparison, the Tax Foundation estimates that of the total governmental revenues raised directly in 1979 ($829 billion), 60 percent was collected by the federal government, 23 percent by state governments, and 17 percent by local governments. Tax Foundation, Facts and Figures on Government Finance, 1981.

During the last 30 years there have been several major changes in the relative contributions of these Federal taxes to total Federal receipts.[2]

The contribution of the individual income tax has gradually increased from around 42 percent in 1952, to approximately 48 percent in 1981.

The contribution of the corporate income tax has decreased from around 32 percent in 1952, to approximately 10 percent in 1981.

The contribution of social insurance employment taxes and contributions has increased from around 10 percent in 1952, to approximately 30 percent in 1981.

The contribution of Federal excise taxes (other than the windfall profit tax) has decreased from around 15 percent in the early 1950's, to approximately 4 percent in 1979.

The Crude Oil Windfall Profit Tax Act of 1980 more than doubled Federal excise tax collections, raising $23 billion in 1981, an amount equal to 3.8 percent of Federal receipts.

Changing contributions of corporate tax, social insurance taxes, excise taxes

Perhaps the most dramatic changes during this period have been the steady increase in the relative contribution of social insurance taxes and the declining relative contribution of the corporate income tax and Federal excise taxes. The Congressional Budget Office has offered several explanations of these changes.[3]

The increase in social insurance taxes, predominantly taxes and contributions for the social security trust funds, reflects a steady increase in the statutory rates for employment taxes levied on employers, employees and the self-employed. According to CBO estimates, taxes and contributions for social insurance programs averaged 4.5 percent of wages and salaries in the 1950's, 7.0 percent in the 1960's, 11.2 percent in the 1970's, and 13.7 percent in 1981.

The decreasing contribution of the corporate income tax, according to CBO, was also partly attributable to statutory changes, "in particular the institution of and subsequent increase in the investment tax credit and the acceleration of cost recovery deductions for investment expenditures." (Another contributing factor was the decrease in corporate pre-tax profits, during this period, as a percentage of gross national product.)

CBO has concluded that the declining share of Federal excise taxes can be attributed partly to the repeal of various excises, and partly to the "relationship of excise revenues to the volume of transactions rather than to the more rapidly increasing dollar value of these transactions". For example, in 1980 the Government collected some $24 billion in excise taxes, half of which were taxes on alcohol, tobacco, and gasoline. Many of the taxes on these items, imposed at a flat dollar amount on volume, have remained virtually unchanged since the 1950's, as illustrated in the following table.

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[2] Source: Derived from OMB, footnote 1, supra.

[3] Source: Baseline Budget Projections for Fiscal Years 1983-87, Congressional Budget Office, February 1982. The Prospects for Economic Recovery, Congressional Budget Office, February 1982.

2. FEDERAL EXCISE TAX RATES ON SELECTED ITEMS

Item taxed	Dec. 31, 1939	1951	1964	Apr. 1, 1981
Liquor taxes:				
Distilled spirits (per proof or wine gallon)	$2.25	$10.50	$10.50	$10.50
Still wines (per wine gallon 14 percent alcohol or less)	.05	.17	.17	.17
Champagne and sparkling wines (per wine gallon)	.40	2.72	3.40	3.40
Fermented malt liquors (per 31 gallon barrel)	5.00	9.00	9.00	9.00
Tobacco taxes:				
Cigarettes (per thousand) weighing not more than 3 lbs	3.00	4.00	4.00	4.00
Manufacturers' excise taxes:				
Lubricating oil (per gallon)	.04	.06	.06	.06
Gasoline (per gallon)	.01	.02	.04	.04
Tires used on highways (per pound)	.02¼	.05	.10	.10

Source: Tax Foundation, Facts and Figures on Government Finance, Tax Foundation 1981.

In the following pages, the operation and incidence of two of the more complex Federal taxes, the individual and corporate income taxes, are described in greater detail.

The Individual Income Tax

The individual income tax has been described as the workhorse of the Federal tax system. The tax is imposed annually, at graduated rates, on individual income, which is principally derived from wages and salaries. Other sources of income include dividends, interest and royalties; gains from dealing in property; distributions from trusts; prizes and awards; and business income from proprietorships, partnerships, and certain corporations.

The annual income tax is premised on a concept of economic "income" designed to distribute the annual cost of government in accordance with each individual's ability to pay. However, some receipts are specifically exempted from the individual tax base to further various legislative policies, such as the exemption of interest on municipal bonds, and the limited exclusion of corporate dividends.

The graduated tax rates applicable to individual taxable income are also designed to distribute the tax burden in accordance with the "ability to pay" principle. Currently, individual tax rates range from 12 percent to 50 percent, with effective rates on capital gains ranging from 4.8 percent to 20 percent.

An individual's annual income tax is affected by various deductions allowed in determining "taxable income", the base amount from which the annual graduated tax is computed. Allowable deductions include amounts that are closely related to an accurate determination of the individual's economic income (e.g., business expenses, casualty losses, bad debts) and other deductions that are allowed in order to further various economic and social policies (e.g. residential mortgage interest deduction, accelerated deduction of low income housing rehabilitation costs).

In addition to the deductions allowable in determining taxable income, individuals may also reduce their tax burden by qualifying for various "tax credits" which are directly subtracted from their tax bill. Because a deduction only reduces the tax base on which the income tax is computed, the economic value of a deduction depends on the individual's marginal tax rate. A tax credit, however, is generally worth the same amount to high income and low income individuals.

Because of the many exclusions, deductions, and credits allowable in computing the individual income tax, many individuals with large economic incomes have been able to avoid paying any significant amounts of individual tax. Since 1969, Congress has attempted to deal with this problem by imposing an additional tax designed to require individuals to make a minimum annual contribution to the cost of government. Under present law, individuals are required to pay a "minimum tax" to the extent that they take advantage of certain deductions referred to as "tax preferences". In addition, if an individual has large amounts of income from capital gains, which are taxed at reduced rates, and also uses large amounts of deductions to reduce his individual tax bill, an "alternative minimum tax" will be imposed in lieu of both the regular individual tax and minimum tax on tax preferences.

Analysis of the Individual Income Tax Burden

Available statistics on the incidence of the individual income tax are of limited usefulness in determining the relative tax burden of various income classes, for two major reasons. First, existing tax statistics fail to reflect true economic income, in many cases, because certain income sources are statutorily excluded from taxation, and certain income deferral techniques can reduce taxable income below an individual's real economic income. Secondly, there is considerable uncertainty concerning whether certain taxes imposed on individuals and corporations are effectively shifted to others in the form of higher prices for land, capital, or goods and services. Nevertheless, some rough generalizations can be drawn on the basis of IRS statistics on individual income tax returns, and scholarly analyses of the individual income tax burden. The most recent IRS statistics available on the individual income tax are for returns filed in 1979, for taxable year 1978.

In 1979 the IRS received some 90 million individual tax returns, approximately half of which were joint returns filed by husbands and wives. Another 41 percent of the returns were filed by single people, and seven percent were filed by individuals qualifying as "heads-of-household" (generally, an unmarried individual or separated spouse with a live-in dependent). The remaining 2 percent of returns were largely the separate returns of husbands and wives.[4]

The 90 million returns filed for 1978 reported an aggregate adjusted gross income (after subtracting losses) of $1.3 trillion. In the aggregate, this amount reflected the following sources of income, and adjustments to income.

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[4] Source: Derived from Table 1B, Statistics of Income—1978, Individual Income Tax Returns, Internal Revenue Service.

3. SOURCES OF INCOME AND ADJUSTMENTS CONTRIBUTING TO ADJUSTED GROSS INCOME: ALL RETURNS FILED FOR TAXABLE YEAR 1978

	Percent
Salaries and wages	84.0
Interest	4.7
Business and profession net profit less loss	4.0
Pensions and annuities in adjusted gross income	2.5
Dividends in adjusted gross income	2.3
Capital gains, less losses	1.7
Partnership net profit, less loss	1.1
Small Business Corporation net profit, less loss	.2
Farm net profit, less loss	.2
Rental net income, less loss	.2
Estate or trust net income, less loss	.2
Royalty net income, less loss	.2
Gains other than capital gains, less loss	.1
All other sources	.2
Total statutory adjustments (e.g. disability income exclusion, moving expense deduction, employee business expenses, contributions to self-directed retirement plans, alimony paid, etc.)	1.7

Source: Derived from Table 1A, IRS Statistics of Income, footnote 4, supra.

On the basis of $1.3 trillion of adjusted gross income reported for 1978, the regular income tax paid was $187 billion after subtracting $17 billion of tax credits. The minimum tax for tax preferences contributed an additional $1.5 billion.

In terms of percentages, the total regular income taxes paid were 14.4 percent of total adjusted gross income, the total amount of individual tax credits were equal to approximately 8 percent of precredit taxes, and the total minimum tax paid was less than 1 percent of total adjusted gross income.

Analysis of the individual tax burden by adjusted gross income class

Ideally, statistics on the distribution of the tax burden would be based on a measure of the individual's economic income. The income measure most readily available, adjusted gross income (AGI), is an inadequate measure of economic income because it excludes some income (e.g. interest on tax-exempt bonds, social security benefits, the excluded portion of long-term capital gains) and also fails to exclude some expenses, incurred in the production of income, that are deductible from AGI only if the taxpayer itemizes his deductions. In addition, AGI fails to reflect income from certain activities that is deferred to later years as a consequence of depreciation, and other deductions, in excess of actual economic costs. Because of these limitations the Treasury Department has conducted studies of high income tax returns analyzed under alternative income concepts. Despite the limitations of AGI as a measure of economic income, some insight regarding the distribution of the individual tax burden can be obtained from IRS statistics using AGI.

Because over 90 percent of the returns filed for 1978 were joint returns and returns of single persons not qualifying as heads of households or surviving spouses, statistics for these returns may provide some sense of the distribution of the individual income tax burden. The following tables, showing the distribution of returns and tax liabilities by adjusted gross income class, roughly illustrate that the largest numbers of income tax returns are filed by relatively lower income taxpayers, while greater portions of the individual income tax burden are borne by relatively higher income taxpayers.

The following tables illustrate the distribution of tax liabilities, by adjusted gross income classes, among joint returns, and single returns.

4. 1978 TAX RETURNS: JOINT RETURNS OF HUSBANDS AND WIVES

[Dollar amounts in thousands]

Size of AGI	Percent of returns	Total income tax, after credits, plus minimum tax	Total tax as percent of all tax on joint returns filed
All returns	100	$143,641,372	100.0
Under $2,000	2	55,336	<.1
$2,000 to $4,000	2.7	3,261	<.1
$4,000 to $6,000	4	20,884	<.1
$6,000 to $8,000	5.5	231,052	.1
$8,000 to $10,000	5.7	803,013	.5
$10,000 to $12,000	6.4	1,742,381	1.2
$12,000 to $14,000	6.8	2,914,664	2.0
$14,000 to $16,000	7	4,128,039	2.8
$16,000 to $18,000	7.4	5,505,763	3.8
$18,000 to $20,000	7.4	6,818,119	4.7
$20,000 to $25,000	16	20,056,981	14.0
$25,000 to $30,000	11	19,283,589	13.4
$30,000 to $50,000	13.8	39,234,113	27.0
$50,000 to $100,000	3	21,930,173	15.0
$100,000 to $200,000	.6	11,606,390	8.0
$200,000 to $500,000	<.5	6,073,373	4.0
$500,000 to $1,000,000	<.1	1,681,324	1.0
Over $1,000,000	<.1	1,552,916	1.0

Note: Detail may not add to total because of rounding.

Source: Derived from Table 1.2, IRS Statistics of Income, footnote 4, supra.

5. 1978 TAX RETURNS: RETURNS OF SINGLE PERSONS NOT HEADS OF HOUSEHOLDS OR SURVIVING SPOUSES

[Dollar amounts in thousands]

Size of AGI	Percent of returns	Total income tax, after credits, plus minimum tax	Total tax as percent of all tax on single returns filed
All returns	100	$36,158,594	100.0
Under $2,000	20	21,584	<.1
$2,000 to $4,000	19	141,650	<.5
$4,000 to $6,000	14	1,322,305	4.0
$6,000 to $8,000	12	2,567,433	7.0
$8,000 to $10,000	9	3,192,934	9.0
$10,000 to $12,000	7	3,356,317	9.0
$12,000 to $14,000	5	3,574,963	10.0
$14,000 to $16,000	4	3,270,009	9.0
$16,000 to $18,000	3	2,998,994	8.0
$18,000 to $20,000	2	2,508,229	7.0
$20,000 to $25,000	3	4,135,960	11.0
$25,000 to $30,000	1	2,144,210	6.0
$30,000 to $50,000	1	2,774,557	8.0
$50,000 to $100,000	.3	1,898,948	5.0
$100,000 to $200,000	.05	1,006,600	3.0
$200,000 to $500,000	.01	659,238	2.0
$500,000 to $1,000,000	<.01	254,480	1.0
Over $1,000,000	<.01	330,183	1.0

Note: Detail may not add to total, because of rounding.

Source: Derived from Table 1.2, IRS Statistics of Income, footnote 4, supra.

Selected sources of income by AGI class

In the aggregate, the predominant source of income on individual returns is wages and salaries, accounting for 84 percent of total AGI in 1978. It is interesting to note that, in 1981, approximately 75 percent of IRS gross individual tax collections came from amounts withheld by employers on salary and wage payments.[5]

As might be expected, statistics indicate that as incomes rise the proportion of AGI derived from salaries and wages declines, as shown in the following table. The figures indicate that major changes occur in AGI groups larger than $50,000.

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[5] Source: 1981 Annual Report of the Commissioner of Internal Revenue and the Chief Counsel for the Internal Revenue Service.

6. ALL 1978 RETURNS: PERCENTAGE OF AGI FROM SALARIES AND WAGES, BY SIZE OF AGI

Size of AGI	Percent
All returns	84
0 to $10,000	87
$10,000 to $20,000	88
$20,000 to $25,000	90
$25,000 to $30,000	89
$30,000 to $50,000	83
$50,000 to $100,000	64
$100,000 to $200,000	56
$200,000 to $500,000	44
$500,000 to $1,000,000	30
Over $1,000,000	16

Source: Derived from Table 1.4, IRS Statistics of Income, footnote 4, supra.

In discussions of the individual income tax burden, much attention is given to long-term capital gains, which are subject to favorable treatment by operation of tax provisions excluding from income a portion of such gains (currently 60 percent).

Only a relatively minor amount of AGI, in the aggregate, is derived from net long-term capital gains. In 1978 it amounted to less than 2 percent. But it is interesting to note that the relative distribution of capital gains income, in rough terms, is the opposite of the distribution of wage and salary income. This is shown in the following chart.

7. ALL 1978 RETURNS WITH NET LONG-TERM CAPITAL GAIN: AMOUNT INCLUDED IN AGI (AFTER THE CAPITAL GAINS EXCLUSION) AS PROPORTION OF TOTAL AGI, BY AGI CLASS

Size of AGI	Included capital gains as percent of AGI
Under $10,000	1.4
$10,000 to $20,000	.9
$20,000 to $25,000	.8
$25,000 to $30,000	1.1
$30,000 to $50,000	1.7
$50,000 to $100,000	4.0
$100,000 to $200,000	6.7
$200,000 to $500,000	11.0
$500,000 to $1,000,000	18.0
Over $1,000,000	25.0

Source: Derived from Table 1C, IRS Statistics of Income, footnote 4, supra.

Sources of income by AGI class

Of the 90 million individual tax returns filed for 1978, approximately 90 percent reported an adjusted gross income less than $30,000. These returns reported close to 70 percent of the total AGI on individual returns and were responsible for slightly over half of the total individual income tax burden. For this large group of individual returns reporting AGI less than $30,000, the individual income tax was predominantly a tax on wages and salaries. Over 88 percent of the income reported on tax returns in this group was derived from wages and salaries. The remainder was derived from a variety of sources, predominantly interest (4.5 percent) and profits from business and professional activities operated as sole proprietorships (3.6 percent).

Among the 10 percent of returns reporting AGI over $30,000, the sources of income are different. As incomes rise the proportion of income derived from wages and salaries decrease sharply. Among the higher income returns, somewhat greater proportions of income are derived from business and professional proprietorships, and partnerships. For returns reporting AGI greater than $30,000, the most dramatic change is the steady increase, as incomes rise, in the proportion of income derived from dividends and capital gains. The changing sources of income, as incomes rise, is reflected in the following table.

8. 1978 RETURNS SHOWING AGI GREATER THAN $30,000: PERCENTAGE OF AGI DERIVED FROM VARIOUS SOURCES, BY SIZE OF AGI

Size of AGI	Wages and salaries	Business and professional proprietorship net income, less loss	Partnership net income, less loss	Interest	Dividends	Included portion of capital gains
$30,000 to $50,000....	83	5.6	1.4	4.0	2.0	1.7
$50,000 to $100,000..	64	12.0	5.0	6.0	5.7	4.0
$100,000 to $200,000..................	55	8.5	7.0	6.1	10.0	6.7
$200,000 to $500,000..................	44	6.0	6.0	6.4	18.0	11.0
$500,000 to $1,000,000..............	29		4.0	6.5	27.0	18.0
Over $1,000,000..........	16		2.0	6.0	32.0	25.0

Source: Derived from Tables 1C and 1.4, IRS Statistics of Income, footnote 4, supra. Statistics for included portion of capital gains do not reflect capital losses used to offset ordinary income.

Progressivity of the Individual Income Tax: Deductions, Effective Tax Rates, High Income Returns

Statistics on the distribution of the tax burden by adjusted gross income class (AGI class) illustrate the progressive feature of the individual income tax. As the following table for joint returns demonstrates, as incomes rise, smaller numbers of returns bear increasingly higher proportions of the individual tax burden.

9. 1978 JOINT RETURNS OF HUSBANDS AND WIVES

Size of AGI	Percent of all joint returns	Total income tax (billions) [1]	Percent [2]
Under $10,000	20	$1.1	7.7
$10,000 to $20,000	35	21.1	14.7
$20,000 to $25,000	16	20.0	14.0
$25,000 to $30,000	11	19.3	13.4
$30,000 to $50,000	13.8	39.2	27.0
$50,000 to $100,000	3	21.9	15.0
$100,000 to $500,000	3.6	39.6	27.5
Over $500,000	.02	3.2	2.2

Source: Derived from Table 1.2, IRS Statistics of Income, footnote 4, supra.

[1] After credits and including minimum tax.

[2] Total income tax as proportion of total income tax liability on all joint returns.

These figures are based on adjusted gross income, before allowing for itemized deductions. Itemized deductions, of course, play an important role in determining the distribution of the tax burden, especially for tax returns reporting adjusted gross incomes greater than $20,000.

Of the 89.7 million returns filed for 1978, 25.7 million returns claimed itemized deductions. Almost all of these returns reported itemized deductions in excess of the amount of deductions automatically allowed to all taxpayers, by operation of the so-called "zero bracket amount" (a concept roughly equivalent to the "standard deduction" allowed prior to 1977).[6]

Itemized deductions were generally more significant in high income returns. For returns reporting AGI greater than $20,000, 73 percent reported itemized deductions in excess of the amount automatically allowed to all taxpayers. For returns reporting smaller amounts of AGI, only 13 percent reported such itemized deductions. For returns reporting AGI less than $20,000 the major items deducted are deductible taxes (29 percent of all itemized deductions), home mortgage interest (26 percent), other interest (12 percent), medical and dental expenses (14 percent) and charitable contributions (10 percent). Among higher income returns the same items are generally responsible for over 90 percent of the itemized deductions. However, as incomes rise the relative importance of each of these items changes.

The following table illustrates the relative importance of various deductions, by AGI class, for all returns itemizing deductions and reporting AGI greater than $20,000.

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[6] Source: Statistics on itemized deductions are derived from Table 2.1, IRS Statistics of Income, footnote 4, supra.

As incomes rise, there are several clear and consistent trends. Medical and dental deductions sharply decline in importance. Taxes slowly increase in relative importance until incomes approach $200,000, thereafter gradually decreasing to approximately the same relative proportion as that found in the lowest income returns. The importance of interest deductions decreases, as incomes rise, but the importance of interest expenses other than home mortgage interest increases, from 12 percent for the lowest income returns, to almost 20 percent for the highest income returns. Perhaps the most interesting statistic is the steady increase in the importance of charitable contribution deductions as incomes rise. Among the lowest income returns only 10 percent of itemized deductions are attributable to charitable donations. But this figure steadily increases, with charitable contributions accounting for nearly 50 percent of all itemized deductions for the wealthiest taxpayers. Indeed (treating home mortgage interest and other interest as separate items) charitable contributions are the single largest source of deductions for all returns with incomes over $100,000.

Typical effective tax rates for various income groups

In discussing individual tax burdens, perhaps the most meaningful statistic is the effective tax rate imposed on the typical taxpayer. The effective tax rate is the proportion of total income (here, adjusted gross income) that is paid in federal income taxes. Rather than using average figures, the following tables attempt to identify a "typical" taxpayer's effective tax rate by identifying the effective tax rates (using IRS statistics) where the vast bulk of the taxpayers with income tax liabilities are to be found, in each income class.

These statistics illustrate the general progressivity of the income tax for upwards of 80 percent of the returns filed with income tax liability.

Despite these encouraging aggregate statistics, much attention has been given in recent years to the problem of the high income individual with little or no income tax liability. As the previous discussion has indicated, statistics based on adjusted gross income are of limited value since they fail to reflect the tax avoidance opportunities present when AGI does not reflect the taxpayer's real economic income. Nevertheless, statistics based on AGI can be of some value in judging the magnitude of the problem, apart from issues associated with exclusions from AGI and adjustments to AGI in excess of real economic losses.

The first table below illustrates the surprising infrequency of high income returns reporting no tax liability. In 1978 only 98 returns with incomes greater than $200,000 reported no tax liability, a figure representing less than 0.2 percent of the returns filed in that income class.

12. HIGH INCOME NONTAXABLE RETURNS (1978)

Size of AGI	Number of returns filed	Nontaxable returns	Percent nontaxable under—
Over $200,000	68,506	98	<0.2
$100,000 to $200,000	285,309	1,101	.4
$50,000 to $100,000	1,471,406	11,237	.8

Source: Derived from Table 3.4, IRS Statistics of Income, footnote 4, supra.

Perhaps of greater significance, the following table illustrates the infrequency of high income returns reporting low effective tax rates. For example, among returns reporting AGI over $200,000 less than 6 percent reported tax liabilities at effective tax rates lower than 20 percent, and among returns with AGI between $100,000 and $200,000, only slightly over 7 percent reported effective tax rates lower than 20 percent.

13. HIGH INCOME RETURNS WITH LOW EFFECTIVE TAX RATES (1978)

Size of AGI	Number of returns filed	Effective tax rates—total tax as percent of AGI							
		Under 5		5-10		10-15		15-20	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Over $200,000	68,408	423	<1.0	826	1.2	943	1.4	1,562	2.3
$100,000 to $200,000	284,208	3,183	1.1	3,655	1.3	5,329	1.9	8,070	2.8
$50,000 to $100,000	1,460,169	23,015	1.6	25,959	1.8	56,416	3.9	177,269	12.0

Source: Derived from Table 3.5, IRS Statistics of Income, footnote 4, supra.

Available statistics on these high income returns do not provide detailed information on the importance of the minimum tax in maintaining the progressivity of the individual tax, by ensuring that high income individuals contribute significantly to Federal tax receipts. Nevertheless, it is interesting to note the relative insignificance of the minimum tax, as an overall factor in increasing the aggregate tax liability of high income taxpayers. The following table illustrates the total number of returns, and the number of returns with tax preference items and minimum tax liabilities, in various income classes. The table also shows the relative amounts of total tax liability, and "add-on" minimum tax liability for returns in various income classes.

14. MINIMUM TAX LIABILITIES AND TAX PREFERENCES BY AGI CLASS (1978)

Size of AGI	Number of returns	Number of returns reporting tax preferences	Number of returns reporting minimum tax liability	Total tax for all returns (billions)	Total minimum tax for returns reporting minimum tax (millions)	Minimum tax liability as percent of total tax for all returns
Over $1,000,000	2,041	1,460	807	$2.0	$124	6.2
$500,000 to $1,000,000	6,581	4,251	2,154	2.0	102	5.1
$200,000 to $500,000	59,884	26,779	13,278	6.9	230	3.3
$100,000 to $200,000	285,309	71,986	45,061	13.0	284	2.2
$50,000 to $100,000	1,471,406	144,369	125,066	24.4	349	1.4

Source: Derived from Tables 3.8 and 1.2, IRS Statistics of Income, footnote 4, supra.

The Corporate Income Tax

Taxation of business income generally

The individual income tax is predominantly a tax on wages and salaries. Business income, and losses, are reflected directly in the income tax only when a business is operated as a sole proprietorship, a partnership, or an electing "small business corporation". In each of these cases the business income of the entity is generally treated as part of the current individual income of the proprietor, partners, or small business corporation shareholders. Nevertheless, these sources of business income represent only a small portion of total individual income, on average less than 25 percent, even for the higher income returns.

Corporate business income is reflected in the individual income tax indirectly, through the taxation of corporate dividends, and gains (usually capital gains) on the sale of a corporate stock, or liquidation or sale of corporate businesses. Among the highest income groups, corporate distributions are a significant source of income for the individual income tax. In addition to the indirect taxes on corporate profits imposed through the individual income tax, corporations themselves are subject to taxation, on the corporate level, through the corporate income tax.

During the 5-year period ending in fiscal year 1980, the corporate income tax provided approximately 12 percent of total Federal revenues. In 1981, the corporate income tax raised $61.1 billion, slightly over 10 percent of total Federal revenues for that year.

1977 is the latest year for which extensive IRS statistics are available on the corporate income tax. In that year, active corporations filed some 2¼ million returns, reporting $96 billion in income taxes, and claiming some $39 billion in offsetting tax credits. The result was a total income tax bill for U.S. corporations of $57 billion. That tax bill represented approximately 15 percent of total Federal receipts for 1977, or approximately 3 percent of the gross national product.

Among the 2¼ million corporate tax returns filed for 1977, only 1.4 million reported net income. Even a smaller number of corporations, some 35 percent, had tax liability, after accounting for tax credits.

Distribution of the corporate tax burden

Statistics on the corporate income tax burden strongly reinforce popular notions of the predominance of large corporations in the U.S. economy, as well as their importance to Federal revenues. Almost 50 percent of the total corporate income tax burden for 1977 was borne by a small number of large corporations filing some 790 tax returns. These large corporations each reported annual gross business receipts of over $500 million, in the aggregate reporting approximately 43 percent of the business receipts reported on all corporate returns.

On the other end of the corporate spectrum, approximately 42 percent of the corporate tax returns were filed by small corporations with gross annual business receipts smaller than $100,000. In the aggregate, these small corporations reported less than 1 percent of the total business receipts reflected on corporate tax returns, and paid less than 1 percent of the total corporate tax bill.[7]

The following table illustrates these statistics, as well as the relative tax burden of corporations in the middle of the spectrum, with annual gross business receipts between $100,000 and $500 million.

15. 1977 CORPORATION INCOME TAX RETURNS

Size of gross business receipts	Percent		Amount of corporate taxes paid (millions)	Proportion of total returns filed, percent
	Proportion of total gross corporate business receipts	Proportion of corporate tax burden		
Under $100,000	<1.0	<1.0	$416	42.0
$100,000 to $500,000	4.6	2.0	1,178	34.0
$500,000 to $1,000,000	3.7	1.7	987	9.5
$1,000,000 to $5,000,000	13.0	8.2	4,688	11.0
$5,000,000 to $10,000,000	6.3	5.3	3,049	1.6
$10,000,000 to $50,000,000	12.0	13.0	7,361	1.2
$50,000,000 to $100,000,000	4.5	5.4	3,086	.1
$100,000,000 to $250,000,000	6.3	8.4	4,796	<.1
$250,000,000 to $500,000,000	5.3	7.2	4,096	<.1
Over $500,000,000	43.0	47.5	27,080	<.1

Source: Derived from Table 7, IRS Statistics of Corporate Income, footnote 7, infra.

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[7] Source: Derived from Statistics of Income—1977, Corporation Income Tax Returns, Internal Revenue Service.

The importance of business tax credits in the corporate tax

Corporate income tax statistics plainly illustrate the significance of the various tax credits available to U.S. businesses. In the aggregate, active corporations reported $96 billion of income tax liabilities, before subtracting the tax credits available under current law. This corporate tax bill was reduced by 40 percent after allowing for $39 billion of tax credits, predominantly the foreign tax credit ($26 billion) and the investment tax credit ($11 billion).

The foreign tax credit is designed to permit U.S. corporations to avoid U.S. taxation of their foreign business operations, to the extent those operations are already subjected to a foreign income tax. By claiming a credit for foreign income taxes paid on foreign source income, the corporation is permitted to substitute the income taxes paid to the foreign jurisdiction for the U.S. taxes that would otherwise be imposed on the U.S. corporation's income from foreign sources. In general, the credit is designed to further a policy promoting the efficient allocation of corporate investment on a world wide basis, without regard to the tax burdens imposed in various countries.

In the aggregate, the $26 billion of foreign tax credits claimed in 1977 were directly responsible for eliminating 27 percent of the corporate tax bill that year. Obviously, the foreign tax credit is available only to taxpayers with foreign operations subject to foreign income taxes. It is nevertheless interesting to note the relative importance of the credit to different industry groups.

In 1977, more than 53 percent of the foreign tax credits were claimed by companies involved in oil and gas extraction, and another 15 percent were claimed by companies involved in petroleum refining, and other companies engaged in the manufacture of energy. 23 percent of the foreign tax credits were claimed by all manufacturing industries other than energy manufacturing. The remaining nine or ten percent of foreign tax credits were distributed among all other industries.

The importance of the foreign tax credit to the energy industry, and in particular to large energy companies, is illustrated by the following tables indicating the extent to which precredit tax liabilities are offset by foreign tax credits.

16. ALL RETURNS—FOREIGN TAX CREDITS CLAIMED, AS A PERCENTAGE OF TOTAL INCOME TAX LIABILITY BEFORE ALLOWING FOR ANY TAX CREDITS: BY INDUSTRY CLASSES (1977)

	Percent
All industries	27
Oil and gas extraction	94
Petroleum and other energy manufacturing	51
Other manufacturing	15

Source: Derived from Table 2, IRS Statistics of Corporate Income, footnote 7, supra.

17. ALL INDUSTRIES—FOREIGN TAX CREDITS CLAIMED, AS A PERCENTAGE OF TOTAL INCOME TAX LIABILITY BEFORE ALLOWING FOR ANY TAX CREDITS: BY SIZE OF ASSETS AND SIZE OF CORPORATE BUSINESS RECEIPTS (1977)

	Percent
All returns	27
2,025 returns with corporate assets greater than $250,000,000	39
790 returns with business receipts over $500,000,000	42

Source: Derived from Tables 2, 6, 7, IRS Statistics of Corporate Income, footnote 7, supra.

18. FOREIGN TAX CREDITS CLAIMED, AS A PERCENTAGE OF TOTAL TAX LIABILITY BEFORE ALLOWING ANY TAX CREDITS: BY SIZE OF ASSETS WITHIN SELECTED INDUSTRIES (1977)

[Dollar amounts in billions]

Industry	Number of returns filed	Total tax liability before credits	Foreign tax credit	
			Amount	As percent of tax liability before credits
Oil and gas extraction:				
All companies	10,672	$14.8	$13.9	94
Companies with assets over $250,000,000	29	14.2	13.8	97
Energy manufacturing:				
All companies	1,201	7.9	4.0	51
Companies with assets over $250,000,000	33	7.7	4.0	53
Other manufacturing:				
All companies	229,948	39.5	6.1	15
Companies with assets over $250,000,000	466	25.6	5.6	22

Source: Derived from Tables 2, 6, IRS Statistics of Corporate Income, footnote 7, supra.

The investment tax credit is also designed with investment policy in mind. It is designed generally to stimulate capital investments by U.S. businesses. The credit is allowed for businesses making investments in depreciable property (other than investments in buildings, with some exceptions). The allowable credit is generally equal to 10 percent of the cost of the investment.

The investment tax credit is utilized predominantly by two major industrial groups, manufacturing (including energy manufacture) and transportation and public utilities. The statistics for the latter group are most interesting. Transportation companies and public utilities claimed almost 40 percent of the total credits, while their share of the precredit corporate tax was less than 10 percent. Through the use of the investment credit, these companies offset 46 percent of their precredit tax liability, four times the all-industry average. Moreover here (as in the foreign tax credit statistics) it is noteworthy that 92 percent of the credits used by transportation companies and public utilities were claimed by large companies with assets valued at more than $250 million.

These statistics, and other characteristics of investment credit usage, are displayed in the following chart.

19. USE OF ITC BY INDUSTRY GROUPING (1977)

Industry	Total tax before credits (billions)	ITC (billions)	Percent of all ITC claimed	ITC as percent of total tax before credits
All industries	$96.3	$11.0	100	11
All manufacturing	47.4	4.6	42	10
Transport and public utilities	8.9	4.1	37	47
Other	40.	2.3	21	6

Source: Derived from Tables 2, 6, IRS Statistics of Corporate Income, footnote 7, supra.

20. USE OF ITC BY LARGEST CORPORATIONS WITHIN SELECTED INDUSTRY GROUPS (1977)

[In percent]

Industry	Proportion of total corporate tax before credits	Proportion of total corporate tax after ITC, percent	Percent of ITC	Proportion of ITC used by largest corps [1]
All industries	100.0	100	100	74
All manufacturing	49.0	50	42	76
Energy manufacturing	5.6	5	9	98
Transport and public utilities	9.2	5.6	37	92

Source: Derived from Tables 2, 6, IRS Statistics of Corporate Income, footnote 7, supra.

[1] Corporations with assets over $250 million.

10. 1978 RETURNS CLAIMING ITEMIZED DEDUCTIONS—AMOUNT OF DEDUCTIONS AND PERCENTAGE OF ALL DEDUCTIONS BY INCOME CLASS

[Amounts in billions]

Size of AGI	Total itemized deductions	Excess itemized deductions	Medical and dental		Taxes		All interest		Home mortgage interest		Contributions		Percent of all other deductions
			Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
Over $1,000,000	1.0	1.0	0.002	<1	0.283	28	0.185	19	0.007	<1	0.471	47	<6
$500,000 to $1,000,000	1.0	1.0	.007	<1	.321	32	.212	21	.021	2	.364	37	<10
$200,000 to $500,000	3.2	3.0	.044	1	1.2	37	.815	25	.155	5	.854	27	<10
$100,000 to $200,000	6.6	5.7	.134	2	2.8	42	1.9	29	.707	11	1.3	20	<7
$50,000 to $100,000	17.3	13.0	.568	3	7.3	42	5.7	33	3.2	18	2.4	14	<8
$30,000 to $50,000	41.5	24.0	1.9	5	17	41	15	36	10	24	4.7	11	<7
$25,000 to $30,000	23.2	11.0	1.3	6	8.7	38	9	39	6.3	27	2.4	10	<7
$20,000 to $25,000	27.7	12.0	2.0	7	9.6	35	11.2	40	7.7	28	2.8	10	<8

Source: Derived from Table 2.1, IRS Statistics of Income, footnote 4, supra.

11. 1978 RETURNS WITH INCOME TAX LIABILITY: NUMBER OF RETURNS IN 3 MOST FREQUENTLY OCCURRING EFFECTIVE TAX RATE GROUPS (TAX AS PERCENT OF AGI) BY AGI CLASS

Size of AGI	Number of returns with tax liability	Effective tax rate groups (percent)									Percent of returns in 3 most frequent tax rate groups
		Under 5	5–10	10–15	15–20	20–25	25–30	30–40	40–50	50–70	
Over $200,000	68,408							17,970	27,404	13,388	85
$100,000 to $200,000	284,208						33,776	154,808	56,112		86
$50,000 to $100,000	1,460,169					416,155	441,233	301,098			79
$30,000 to $50,000	6,495,225			1,246,625	3,196,523	1,520,475					92
$20,000 to $30,000	13,843,171		1,390,614	7,327,963	4,169,466						93
Under $20,000	46,534,124	10,322,330	18,411,786	14,282,645							92

Source: Derived from Table 3.5, IRS Statistics of Income, footnote 4, supra.